Daily Report

Latin America

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FBIS-LAT-94-211 *1 November 1994*

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NOTICE TO READERS: Effective 1 October, the processing indicators appearing in brackets at the start of each item in this publication have been changed. All new indicators begin with "FBIS" to make the material more easily identifiable. Some also indicate whether the item has been translated from the vernacular or transcribed from English.

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Cuba

Lage Discusses Foreign Investment at Fair

FL3110184994 Havana Radio Progreso Network in Spanish 1200 GMT 31 Oct 94

[Address by Carlos Lage, secretary of the Executive Committee of the Council of Ministers, at the opening of 12th International Fair in Havana on 30 October—recorded]

[FBIS Translated Text] In addition to the number of countries represented, the number of exhibitors, and the exhibition area, the quality of products on display, the professional nature of participating companies and enterprises, the serious business dealings preceding the fair, the prospects that are blooming today, and the enriching exchange the fair promotes between visitors and hosts make this fair special. You will see this for yourselves.

The socialist bloc dissolved and the USSR collapsed, suddenly placing Cuba in the most dire and complex moment in its history as an independent nation. The U.S. Government then decided to intensify that dinosaur of a blockade, which the UN General Assembly recently condemned for a third time with an overwhelming majority.

It is impossible to express in a few words the efforts made these last few years. History will do so. As an example, I can point out that the priorities of our economic development changed, the country was prepared to operate in light of a significant drop in imported resources, a drop of over 70 percent. Hard currency was legalized: We realized its economic impact and assimilated the growing influx of capital, which would have continued to grow even if measures against it were implemented. Over 2.6 million hectares of state land were given gratis in usufruct to cooperatives workers. A new tax law was implemented, and measures on prices and eliminating gratuities have been established. Self-employment has been fostered. Steps have been taken to adapt our labor and salary legislation to current and future conditions. New markets have been created for agrarian and industrial products under the rule of supply and demand. Efforts are being made to reorganize and simplify the state's central administration, to give more authority to the enterprises and decision-making power to the management section of the production sector, and to allow for direct access to foreign trade. We are actively promoting the investment of foreign capital in Cuba.

Cuban exports showed a modest increase of 3.5 percent as of 30 September 1994 compared to 1993, despite well-known difficulties with the sugarcane harvest.

Due to an increase in market prices and growth in other products and areas of the economy, construction, tourism, and industrial production are up so far this year. The efforts made in the pharmaceutical and biotechnology industry are beginning to yield results. Measures to reestablish the necessary national financial balance have continued on a positive trend over the last few months, although it would be premature to describe it as definite. The need to explore new export markets that developed over the past three decades to meet the needs of countries and to satisfy circumstances that today no longer exist was perhaps one of the greatest and most dangerous challenges faced and, we can affirm today, surpassed. We have ties with over 3,000 foreign companies from 98 countries on five continents. We continue to expand and modernize our trade despite the limitations of an unavoidable period of economic depletion.

Approximately 400 companies, financial officers, warehouses on consignment, customs warehouses, and others have permanent offices in Cuba. We can also affirm that the process of opening to foreign capital, which we are encouraging, is surmounting obstacles which at times have seemed insurmountable. The first joint enterprises with foreign capital were created in 1989. Yet, it was not until 1993 that this process began to gain in importance. Currently, there are 165 joint enterprises with capital from 38 countries operating in 26 sectors of the economy. Our main partners, on the basis of the number of joint ventures, are from Spain, Canada, France, Italy, and Mexico. Three of the most important accords, given the volume of the investments, were recently signed to create joint enterprises in telecommunications services, nickel processing, and oil refining. There are 27 joint tourism enterprises and 37 hotel management contracts. Over 400,000 tourists are expected to visit by year's end, twice the number recorded four years ago. A total of 35 airlines fly to Cuba and the figure keeps on growing. A total of 30 percent of the joint enterprises created are in the mining sector, a significant number of them in oil. Prospecting accords have been signed covering half the areas with oil potential and three-fourths of those with mining potential. Progress is being made on prospecting, and several of the participating companies entered the drilling stage this year. Joint enterprises have been created in textiles, leather, perfumes, personal hygiene items, rum, fruit juices, beer, mineral water, and others.

Five joint agrarian enterprises have been established, primarily involving citrus crops, making it possible to begin improving conditions on the plantations and increasing our share of the markets. Tobacco production and sales are firmly rooted, taking on diverse characteristics. Enterprises both in Cuba and abroad share ownership of the industry—management, a trademark, or a market—in a natural effort to benefit both sides.

These enterprises will provide over $1.5 billion in foreign financial support by year's end. Developments thus far may be modest, but they create the foundation on which to advance. Over 200 other projects are in the negotiating stage.

U.S. interest in Cuba is also on the rise. Over 69 U.S. companies visited Cuba during the first half of 1994 to

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explore investment and market opportunities for whenever this becomes possible. A total of 14 of these companies are extremely important, considering their annual volume of business. We encourage letters of intent with these U.S. companies, considering the mutual benefits this might promote for whenever free trade becomes free for all.

The experience gained in these intense years shows us that we can trust—and we do—the seriousness of the foreign companies that work with Cuban organizations and enterprises. I repeat: Cuba will fulfill every commitment made in this process of opening to foreign investment and in our trade relations.

As many of you know, in order to provide more guarantees for foreign investments, Article 23 of the Constitution was modified in June 1992 to specifically recognize the ownership rights of joint enterprises. On the one hand, it has been a constant fixture of our policy in this field to sign mutual protection accords for investments. We have signed such accords with the governments of Italy, Russia, Spain, and Colombia. A similar accord will be signed with the United Kingdom, and others are in the advanced stages of negotiations with European and Latin American governments. A new law on foreign investments is being drafted to facilitate this process even more and to provide more transparency and security for the investors by keeping in mind the best of the international practice and our socialist system's characteristics.

The investments that began with the tourism sector are expanding to other areas of the economy. From now on, no production sector will be excluded from foreign investment. It is now possible to identify mutual interests and foster joint enterprises in the services sector. The joint telecommunications enterprises are an example.

We are looking favorably on various proposals regarding sugar production, which has always been of great interest to many. Likewise, the first real estate negotiations have begun and joint enterprises have begun to venture into the domestic market to replace import needs.

We believe that the tax breaks and others breaks of every kind provided today are attractive. However, in certain areas that so require, we could grant additional breaks and accept majority ownership by the foreign partner. This has already been done in certain select areas.

The steps we have been taking toward economic recovery are part of an integral plan and not the result of isolated measures. Our goal is for the Cuban people to attain the well-being it hopes for and deserves. We will do everything necessary to move toward this goal, with the most steadfast principles. Well-being means more to us than just material wealth: It also means independence, social justice, human solidarity, civic peace, and respect for human dignity.

The incentive we offer to expand commercial relations and invest in Cuba is neither a change toward capitalism nor a rushed sprint of measures which tend to create more delays than progress and cause irreparable damage. We offer an orderly country, a coherent and irreversible policy of opening to foreign investment, a sufficient and broad economic infrastructure, a productive sector engaged in a process of change toward efficiency, a hard working and dedicated people with a high level of education and training, a society foreign to terrorism or drugs. We give you a sovereign nation and an honest and incorruptible government.

We are experiencing a harsh period of severe shortages, of postponed debts, of interrupted goals, and of delayed dreams. However, we do not lose hope. It is true that men's weaknesses bloom during difficult times, but so do their virtues. We will make it through.

To all those who have remained by our side during these difficult years for the fatherland, to those who will join us now, to those who have faith in Cuba and its people, we say: You will receive not only true benefits but also the favor, love, and respect of our people. Thank you, very much. [applause]

Castro Receives Russian Armed Forces Official

PA0111043794 Havana PRENSA LATINA in Spanish 0140 GMT 1 Nov 94

[FBIS Translated Text] Havana, 31 Oct (PL)—Cuban President Fidel Castro received today Colonel General Mikhail Kolesnikov, chief of staff of the Russian Armed Forces, who arrived in Cuba for a friendly and working visit two days ago.

Kolesnikov had met hours earlier with Army General Raul Castro Ruz, Revolutionary Armed Forces of Cuba (FAR) minister, in a friendly atmosphere, the National Television newscast reported Monday [31 October] night.

The military delegation from the Russian Federation also met at FAR headquarters with Division Generals Ulises Rosales del Toro and Julio Casas Regueiro, FAR first vice ministers.

The report added the military delegations from both countries reviewed the state of technical-military relations within the framework of the existing intergovernmental agreements.

It was also reported the talks took place in a climate of cordiality, friendship, and mutual understanding.

Colonel General Kolesnikov, who arrived in Havana on 29 October, has visited places of historical, military, and social interest.

U.S., Russian Peace-Keeping Differences Noted

FL3110165594 Havana Radio Reloj Network in Spanish 1503 GMT 31 Oct 94

[FBIS Translated Text] Russia's probable withdrawal from the UN peace-keeping contingent in the former

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Yugoslavia is helping to mark the end of the so-called honeymoon period between Moscow and Washington. Controversy has surrounded differing U.S. and Russian views on peace-keeping methods in the Balkans and Haiti over the last few weeks. Russian Foreign Minister Andrey Kozyrev, speaking shortly before leaving for Morocco to attend the Middle East-North Africa economic cooperation conference, rejected Washington's proposal that the United Nations be replaced in Bosnia-Herzegovina. He said that giving NATO the main decision-making role would imply ending the UN mandate.

Fast-Track Delay Seen as Obstacle for Americas Summit

PA2910021494 Havana PRENSA LATINA in Spanish 2158 GMT 26 Oct 94

["Article requested by LA HORA daily" by PRENSA LATINA reporter Martin Hacthoun: "Summit of the Americas: Obstacles Emerge Against Free Regional Trade"]

[FBIS Translated Text] A recent decision by U.S. President Bill Clinton's administration has clouded what represents perhaps the most-cherished aspiration of the eventual participants at the upcoming Summit of the Americas in Miami: to establish free regional trade with the United States.

The White House has postponed until next year the renewal of the legislative rules that authorize congressional use of the so-called fast-track procedure for approving trade agreements.

Right now, this rule is facing an uncertain future, and analysts believe that only limited steps in the direction of free regional trade will be possible at the Miami summit scheduled for 9-11 December.

The fast track rule establishes a deadline for the prompt adoption by Congress of trade agreements without the legislators being able to amend them.

The procedure expires at the end of the year, and if it is not renewed, trade partners will be reticent about signing agreements with Washington because there will be no guarantee that politicians on Capitol Hill may not decide to elaborate on the agreement.

This is why the White House decision to postpone its renewal has generated frustration among Latin American countries which hope to use the Miami forum as a springboard to reach, at the least, trade treatment similar to that granted to Mexico, a member of NAFTA.

Alexander Foxley, president of Chile's Christian Democratic Party and former finance minister, has said the U.S. decision represents "a terrible setback" in view of the expectations of the governments of the hemisphere.

At a recent news conference in Washington, Foxley cautioned that this fast track matter is creating skepticism in Latin America about Washington's true motives on whether it will muster the political will necessary to do what is right.

The Chilean politician commented: "The truth is that we could be going to a frustrating summit."

According to its architects, the Miami meeting in which 34 states of the continent will participate will focus on three basic issues: free trade, collective security, and the promotion of programs to alleviate extreme poverty.

With this, the United States wants to consolidate democracy, as it envisages it in the Western Hemisphere, and the countries of the region will take advantage of the meeting to caution the United States that without development democracy will never be safe.

For the time being, the objective of analyzing free trade as a means to contribute to necessary economic development seems to be the top item on the hemispheric leaders' agenda, according to what they have said, although there are, obviously, other concerns.

In a recent meeting, the presidents of Colombia and Venezuela, Ernesto Samper and Rafael Caldera, respectively, decided to propose at the inter-American summit a continental-wide power network, a struggle against poverty, and negotiations to find international instruments to fight corruption and money laundering.

The idea of calling for a fight against drug-trafficking and political corruption is also on the mind of Costa Rican President Jose Maria Figueres.

The exclusion of Cuba from the Miami meeting by the promoters of the event has not been overlooked by several countries of the region, especially Mexico and Canada, both of which have criticized Washington's decision not to invite Cuba.

Canadian Prime Minister Jean Chretien has said Cuba is an integral part of this hemisphere and therefore should not be segregated from the grand inter-American family. Mexican President Carlos Salinas de Gortari believes "it is better to acknowledge plurality than to implement exclusionary mechanisms."

Cuba has issued a warning about the negative effects the summit could have on Latin American integration projects. According to Ricardo Alarcon, only by way of a strong Latin American and Caribbean integration program can the representatives of the region present a specific position at the Miami summit.

Bolivian President Gonzalo Sanchez de Lozada's concern centers on the same idea. In his opinion, integration must be the key issue of the Summit of the Americas.

"It is necessary to know what we are going to do about integration. Are we going to move toward an immense hemispheric market; are we going to merge Mercosur [Common Market of the South] and the Andean Pact, or are we going to form a South American market with or without the NAFTA?" Sanchez de Lozada asked during a visit to Buenos Aires.

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Despite the fact that it has been excluded from the inter-American meeting, Cuba has assumed a constructive attitude.

In his speech at the initial debate of the 49th Session of the UN General Assembly, Cuban Foreign Minister Roberto Robaina said: "If the meeting produces positive results for Latin Americans, Cuba would sincerely cheer the meeting, even if Cuba does not participate."

He added: "This could be an excellent occasion for demanding from the neighbor to the North fair trade, financial relations, and fair treatment in the transferring of technology, as well as a chance to request that it fulfill its international cooperation duties."

It has yet to be established which of the two Americas will benefit the most from the Miami meeting, Robaina said.

Envisioning the wealth that could be amassed by economic circles in Florida, one of the four richest states in the United States, the hosts want to turn the southern U.S. city into the trade hub for the rest of the continent.

To point out the commercial air of the summit, the organizers have invited approximately 600 businessmen, academicians, and leaders of private Latin American and Caribbean organizations to attend a series of collateral meetings and dinners during the three-day summit.

The organizers also plan to mount a trade fair whose opening is scheduled for 8 December, the day before the summit.

The fast track problem, however, contradicts the trade spirit the hosts want to instill in the event.

Foxley, the Chilean political leader, said: "The United States must make clear before the summit its views on a hemispheric free trade system and," he noted, "the approval of the fast track legislation would contribute to a reaffirmation of the U.S. commitment to a free trade agreement in the hemisphere."

The possibility of achieving something in this area is scarce. Involved in a bitter partisan battle, Democrats and Republicans did not get together to agree on the renewal of the fast track procedure.

The Republicans, now in opposition, have threatened to use their votes on the fast track procedure as a lever to keep environmental protection and labor rights issues from being discussed in trade negotiations.

In view of this congressional stagnation, the White House has decided to postpone the matter.

It has happened that as a result of domestic political antics in Washington the fast track procedure is in a predicament and the summit, contrary to initial expectations, could end up being irrelevant to Latin America's hopes.

Cuban Embassy in Panama on U.S. 'Defeat' at UN

PA2910153294 Panama City LA PRENSA in Spanish 29 Oct 94 p A-7

[Report by Manuel Alvarez Cedeno]

[FBIS Translated Text] The Cuban Embassy in this capital has stated the UN resolution condemning the U.S. blockade against Cuba represents "a serious defeat" for the United States, but it has lamented that "the arrogance" of the North American government "does not respect" this decision.

The United Nations approved on 26 October, for the third consecutive year, a resolution calling for an end of the embargo the United States imposed on Cuba over 30 years ago in order to weaken Communism.

Miguel Martinez, the Cuban charge d'affaires in Panama, has told LA PRENSA the approval of the resolution "demonstrates the firm determination of the international community to condemn the most criminal blockade of a powerful country against Cuba."

The resolution represents "a serious defeat" for the U.S. Government, explained Martinez, who has warned Fidel Castro "will remain firm despite the propaganda against him and despite the rafters."

This resolution obtained 59 votes in favor, three against, and 72 abstentions in 1992; it obtained 88 votes in favor, four against, and 72 abstentions in 1993, and it received 101 votes in favor, 48 abstentions, and two against, those of the United States and Israel, in 1994.

The diplomat has said, however, "it is regrettable that arrogance does not respect this kind of decision, which, although it is not mandatory, is supported by the international community, support of which indicates the entire world is opposed to the embargo."

Cuba is quite satisfied, because the world supports its just demand, so we hope the United States can understand "this hateful embargo" is rejected by the international community, he added.

Martinez has said Castro "remains strong despite the rafters and the propaganda, because the Cuban Revolution is stronger every day under his guidance and due to the majority support of the people."

The government of Bill Clinton intensified the embargo last August, in an evident response to the mass exodus of rafters, and banned the forwarding of dollar remittances to the island.

Cuban Rafters Claim Unfair Treatment at Camps

FL2611025094 Havana Radio Rebelde Network in Spanish 1800 GMT 31 Oct 94

[From the "National Radio News"]

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[FBIS Translated Text] According to Cuban rafters, they are constantly being treated unfairly. Children and pregnant women have been beaten and pushed around by U.S. soldiers. These soldiers act without any restrain, whatsoever. A 43-year old female rafter stated: The soldiers humiliate us; they push us to the ground, they put their boots on our heads, and push our faces to the ground.

According to the rafters at Camp No. 4, the U.S. Government enticed them to leave Cuba illegally and later placed them in jails at the military bases in Guantanamo and Panama. The rafters stressed that the Yankee Marines are worse than Pinochet's special troops [carabineros]. It seems that the crowed camps combined with tough military discipline make these camps a living hell, which according to the rafters is a violation of human rights. Now, the rafters, after a long [words indistinct], have a plate of food, which has been donated to them by the U.S. Government, but they lack liberty. It is that same liberty, which the U.S. Administration, through different means, sold to them, on a daily basis, so that they would abandon and betray the country in which they were born.

Eight Slightly Injured in Riots

FL0111030094 Havana Radio Rebelde Network in Spanish 0000 GMT 1 Nov 94

[From the "National Radio News"]

[FBIS Translated Text] Today, a U.S. military source informed that a group of U.S. soldiers and Cuban rafters—the illegal Cuban emigrants who are currently being held in camps on the banks of the Panama Channel—had been throwing rocks at each other. This occurred after a argument over the cigarette rations. The riot left eight people slightly injured—five of them were U.S. soldiers and the other three Cubans—who were later treated for concussions.

Officials Greet Angolan Commerce Minister on Arrival

FL3110172494 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 31 Oct 94

[From the "NTV" newscast]

[FBIS Translated Text] Orlando Hernandez, Cuban vice foreign trade minister, and Angolan Ambassador to Cuba (Antonio Buriti da Silva) greeted Celestino Dias, Angolan commerce and tourism minister, upon his arrival at Jose Marti International Airport this afternoon:

[Begin Dias recording, in Portuguese with passage-by-passage translation into Spanish] As you know, Angola and Cuba have a commercial agreement. It is clear to all that the commercial possibilities have not been fully exhausted. Cuba is an important force in tourism. We will see trade and tourism prospects during the 12th International Fair in Havana. The possibilities of doing business are excellent. [end recording]

Dias will meet Basic Industry, Agriculture, Foreign Trade, and Tourism Ministry officials during his working visit.

Interior Ministry To Take Active Role in Markets

FL0111130594 Havana Radio Reloj Network in Spanish 2042 GMT 31 Oct 94

[FBIS Translated Text] Decree-Law 192 gives the Interior Ministry [Minint] an important role in the industrial and crafts markets, because of the production capabilities of its units. Samples of its products are being exhibited at the ninth forum of science and technology sponsored by the command for production and supply. Now all that is needed is little more imagination and creativity, and taking advantage of all resources available because of the economic incentive that a market such as this one has, where prices depend on the laws of supply and demand. The prices of many products will depend on what the Minint's production units are capable of producing. The task is not easy, but people have great confidence in this organization. They are confident and believe that its combatants will come through.

'Straight Talk' Program Views Markets Issues

FL2910120094 Havana Radio Rebelde Network in Spanish 1700 GMT 27 Oct 94

["Straight Talk" program with host Carlos Santana Ojeda and reporter Fernando Davalos—live or recorded]

[FBIS Translated Text] [Santana] What is this process about? Is the state shirking its responsibilities? Fernando Davalos is here to answer these and other questions. The first question: What is this process about?

[Davalos] The process can be taken in different ways. It stems from a process that began a little over a year ago—in 1993—namely that of creating the basic cooperative production units [UBPC's]. While this process has not yet run its course, it is coming to an end. The UBPC's will acquire 60 to 70 percent of state land through this process. As you said, this land is given in usufruct. The state still owns the land: All of society owns the land. It would be senseless to return the land or to make it part of someone's ancestral heritage. Small farmers may own their own land, but state land—that which once belonged to the large estates and foreign companies—belongs to society. The cooperative works with what the land produces.

[Santana] How important is the decision to loan land in usufruct?

[Davalos] It is related to your wily question: Is the state shirking its responsibilities? The state is passing responsibilities to those who show the greatest potential-...[pauses] They are giving the land to those who can

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produce the most for man, families, and groups of producers, who, in this manner, are directly involved in increasing production. Giving out land, giving the land to cooperatives, or, better yet, making agricultural production cooperative—this began last year with the UBPC's—is another new process that is currently under way. The first shift in responsibility for and interest in making the land productive to groups of farmers occurred during that process. As I said before, this involves only 70 percent of state land. Some state enterprises--that is, purely state—will keep their land. The Youth Labor Army [EJT] is taking care of some. They are doing a wonderful job and are proving very productive. The land on which cattle is genetically grouped is being looked after, in light of the many technical aspects of the production process—for example, insemination and improving the breeds of cattle and other types of animals. It is better that these farms remain in state hands.

[Santana] How can this usufruct process help in the struggle to produce food?

[Davalos] Man will be very interested in producing. He will be more directly involved and interested. He was indirectly interested when the land belonged to the state. Now, he will improve his standard of living if he produces. When the EJT appeared, the idea was to improve housing and self-sufficiency, not self-sufficiency in the worker's cafeterias or in their countryside eating areas but in their homes. That is the way it has worked for a year. However, the most important and strategic goal—stimulating production—was not achieved. One piece was missing.

[Santana] What was the missing piece?

[Davalos] We created the UBPC's. We passed responsibility for production to the collectives so that they could increase production. We built housing, the best we could considering the situation. The workers' cafeterias and food supplied to the farmers' families improved. However, we did not notice UBPC contributions to our markets that year. What was missing? The ability to market surplus production, something that makes a man feel that his efforts are being rewarded. This has been resolved through the farmers markets. It used to be that anyone who produced over his established quota could not sell the surplus but had to hand it over with the rest. This seemed to discourage production; in any case, it did not encourage production. Now, with the farmers markets, this surplus can be sold at prices set through supply and demand at the markets. This means more benefits to be shared at the cooperatives. That is the piece that was missing. Why produce more than the established quota? After all, the quota guarantees that agricultural products will meet the needs of, among others, hospitals, day care centers, and the Armed Forces. Many receive this through the ration books. To many, this may not be important; to others, this is the only thing they have. They do not have incomes that allow them to go to the farmers markets or, in any case, to go very often. Therefore, the quota must first be met before they can take their surplus to the farmers markets. That was the missing piece that prevented cooperative producers from the UBPC's from going all-out in their production efforts. This seems to be happening now. In any case, this will be more evident in the next few months.

[Santana] Let me clear up something...

[Davalos, interrupting] Mark my words, this is not the only matter...[pauses] We will talk about that later. What were you going to say?

[Santana] I wanted to explain what usufruct means.

[Davalos] Use the land. I give you a hectare or a piece of land and say: Plant on it and whatever you harvest is yours.

[Santana] What type of land is being given in usufruct?

[Davalos] Every type. Every type of land is being given...

[Santana, interrupting] Small parcels?

[Davalos] No, no. The UBPC's will receive 70 percent of Cuba's agricultural land. That is a lot. The areas that belong to the National Association of Small Farmers, the 12 percent of the land that belongs to the Agricultural-Livestock Cooperatives, and the eight percent that belongs to small farmers will not be given away. That land will remain in the hands of those farmers and groups of cooperatives. If you add all of that up, you see that the state is only holding onto a small amount of land. The EJT and genetic breeding farmers will run the state land. As I said, they will keep it under state control. Nevertheless, small patches of land that those organizations occupy are also being given away.

[Santana] I do not know if you know this, but I heard that they are giving priority to land that will be used to grow tobacco. This land was not being used, until now. Is that right?

[Davalos] That is right. That is what I wanted to discuss. The state is handing out parcels of land six cordeles [cordel; 414 square meters] in size. A cordele is one-fourth of a hectare, about the size of a neighborhood block. That amount is given to someone that wants to work the land, as long as it is not currently being used. That person turns this into his own small, cultivated area. He can also have animals. He can feed his family. Did you know that 254,000 of these parcels have already been given away? That's a total of 60,000 hectares. That is quite a lot, nearly 5,000 caballerias. If you divide 60,000 by 13, you get about 5,000 caballerias.

[Santana] Do you think this will grow in the future...

[Davalos, interrupting] That rate will be maintained. However, it will depend on the amount of idle land available and on the amount of land that can be divided into parcels. In any case, it is already a vast amount of

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land. You had asked about parcels being given for growing tobacco. Those parcels are not the same size but much larger. On what does that depend? I asked Lugo [Orlando Lugo Fonte], president of the National Association of Small Farmers, how much land is given to people who want to grow tobacco. This is very interesting: It is not just a small parcel but a whole plantation, a plantation ideal for growing tobacco.

[Santana] Apart from land being given in usufruct, what other measures have been taken to restructure Cuban agriculture?

[Davalos] The farmers markets are an example. However, I want to continue discussing the land for growing tobacco. How important are the farmers markets? Tremendously important, because they stimulate production. More commercial methods for supplying the people will follow, such as reducing the steps involved in collecting products. The exchange between producer and consumer will be more direct. I wanted to discuss tobacco production because this is very important to Cuba. A good tobacco harvest could be worth $150 million to Cuba. The last tobacco harvest may not have yielded a huge amount but it was good. We did not harvest an enormous amount of tobacco, but we did have high quality tobacco. What is happening now? Families who want to grow tobacco are being given small plantations. Generally, these families know how to grow tobacco. Tobacco must be cared for leaf by leaf, because the economic product is the leaf and not the root or the stalk. A family is willing to plant tobacco in the tobacco growing areas in Cuba—like Pinar del Rio, Havana, Villa Clara, Sancti Spiritus, or in small areas in Bayamo, Holguin, and Ciego de Avila—because in most cases they come from a family that originally grew tobacco.

They migrated to the city, like a case I read about: A barber from Ova, in Pinar del Rio Province, whose family grew tobacco has returned to the countryside. His wife is director of a small school in the town. He has returned to the countryside, where, I believe, he has already planted 60,000 tobacco seedlings. He will plant even more. A plantation cannot be one-fourth of a hectare in size to accommodate that amount. It must be much larger. The plantation will end up being as big as he can make it. The more he plants, the bigger the plantation will be. Do you know how many people have tobacco plantations, like this man? A total of 2,500 families. That's 800 caballerias of tobacco. That means that Cuba will be able to increase its tobacco harvest and, therefore, increase the influx of foreign currency. We could reach 150 [not further identified] if we continue in this way. We have not reached 150, but we could. Cuba increases its tobacco production, using this new blood and this land.

[Santana] What could conspire against the development or acceleration of this process of distributing land in usufruct?

[Davalos] It is not what could but, rather, what is conspiring against this process. There are delays in the process. Authorities have ordered that mountain land be distributed to grow coffee and cacao. The president of the National Association of Small Farmers told me that 2,200 petitions have been filed for land to grow coffee. These petitions will be granted. Anyone who wants to go to the mountains to grow coffee and cacao will be able to do so. However, there are delays in the land distribution process. This process must be accelerated. We must continue to distribute these idle lands. Let's get going! Lugo said it himself; he did not tell me; he said this in Sancti Spiritus. There is a delay. I imagine the delays are routine and due to a lack of understanding. I do not think that these delays are deliberate. In any case, this is a vital process for Cuba, because it brings man closer to the land.

[Santana] Is any bureaucracy involved?

[Davalos] There may be a little bit of bureaucracy involved, a lack of understanding. Perhaps it has been undertaken as a routine project. No extra effort is put forth if it is considered routine. This cannot be the case. This is all about producing food for the population.

[Santana] We have discussed economic usufruct. What is the political aspect of this process?

[Davalos] All who have obtained these tobacco, coffee, and cacao plantations have already presented their applications to become National Association of Small Farmers members. There are more...[pauses] When it seemed like it was not going to grow anymore, better yet, it seemed as if the association was going to get smaller-...[pauses] Our farmers, who have participated in all of Cuba's wars of liberation, are staging this politically historic movement. Whether it was the War of Independence or the War of Liberation, Cuban farmers and agricultural workers were always in the vanguard. They are once again being given the opportunity to spearhead the offensive in the fight to produce food. They can do so with the satisfaction of having fulfilled their duties and with the satisfaction of benefitting from the farmers markets. In short, they will make money!

Commentary Views Economic Recovery

PA2910184594 Havana Radio Havana Cuba in Spanish 0000 GMT 27 Oct 94

[Commentary by Guillermo Alvarado from the "Evening Information Review" newscast]

[FBIS Translated Text] Debates being held by intellectuals and economic experts evolve around the transformation taking place in the Cuban economy as well as the possibilities of ensuring an upsurge in an economy which has insistently been described as having hit rock bottom and which can now only start to improve.

High-ranking government officials have said economic recovery cannot take place as long as the industrial sector remains depressed, as is the case with sugar and nickel production.

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Traditionally, the sugar industry has provided nearly 50 percent of Cuba's revenues while nickel and cobalt sales have provided 15 percent, and other sectors have contributed to a lesser degree to the national income.

Sugar production was lower than 38 percent in 1993 and was surpassed for the first time by tourism activity, which provided 41 percent of all export revenues. Nickel sales totaled 10 percent of total revenues.

Even though the country is undertaking tremendous efforts to expand its tourism industry, it is almost certain that the sugar industry will continue to bear the brunt of the national economy, and the performance of this sector will be decisive for overall Cuban economic activity.

The so-called emerging sectors of the economy have now begun to show signs of life. Among these sectors we can mention biotechnology production, which has now contributed 5 percent to national income, in addition to cement and steel production, both of which have restarted production recently.

Cuba is looking toward Latin America as a natural market where to place its products; in this respect, the country has already been able to place some of its innovative vaccines in Brazil and Argentina, and cement and steel sales could be marketed in Central America at the same time.

Significant economic changes have also taken place at the domestic level. We can mention the depenalization of foreign currency holdings, authorization to carry out self-employment activities, and, more recently, the creation of farmers markets regulated by principles of supply and demand to fix prices.

In perspective, efforts are also being undertaken in petroleum prospecting and exploration with the possibility of ensuring sufficient crude oil production that would allow the country to cut subsidies to certain sectors such as aviation as well as maritime and port activities. This measure would also open the door to significant cuts in public transportation costs.

Vilma Espin on Island's Gains, Difficulties

95CA0007A Buenos Aires CLARIN in Spanish 25 Sep 94 pp 18, 19

[Interview with Federation of Cuban Women President Vilma Espin by Javier Calvo in Buenos Aires; date not given]

[FBIS Translated Text] In just about the only similarity that can be seen with the current political situation in our country, Cuba is also without a first lady. Not only is Fidel Castro single, as is well known, but there is not even any provision in the Cuban power structure for this job, which is more a function of protocol than of actual politics. Nevertheless, the unanimous opinion on the island is that if Cuba had a first lady, it would be Vilma Espin, Raul Castro's wife and therefore Fidel's sister-in-law.

The reasons for this "appointment" go beyond family ties. Espin is a historic leader of the Cuban Revolution. She has been the president of the Federation of Cuban Women ever since Castro founded it when he reached power, and she has long been a member of the National Assembly (the Cuban congress) and of the Central Committee of the Cuban Communist Party.

On her way home from Egypt, where she headed the Cuban delegation at the raucous UN Population Conference, Espin spent a week in Argentina to participate in an ECLA [Economic Commission for Latin America] meeting. During a brief pause in her overbooked agenda, Vilma Espin gave an exclusive interview to CLARIN.

[Calvo] People here have the impression that Cuba is surviving its difficulties. But how much can Cuba endure?

[Espin] You have to go to Cuba and see for yourself. And you will see that we are indeed having a lot of difficulties and problems; we are aware of them. But we are also convinced that they will not last forever. We are seeking and finding alternatives, such as tourism and constant scientific advances in chemistry, pharmacology, and health care. All of this despite the irrational blockade that the United States imposed on us many years ago. No one provides the guarantees and security for their children that we do, with our terrific accomplishments in education and health. We know very well that these are long-term investments, but despite all the shortages, we have the essential thing—people.

[Calvo] At any rate, people who visit Cuba say there is a lot of hardship.

[Espin] We are working for development, for the future. We have not stopped developing, but we have had to define some priorities. We are better off than when the American blockade first started, because at that time we really had almost nothing that did not depend on the United States. We have learned to get along without thinking about them, and for the last four years, since the fall of the Socialist bloc in Europe, we have also learned to survive in a different reality.

[Calvo] That new reality has brought about economic changes that many dogmatic communists criticize.

[Espin] Some people are wondering whether our partnerships with foreign companies in the areas of tourism and energy will cause us to capitulate on some of our positions. And we say no, because we are very careful; we have not turned over our land, the way other countries had to and wanted to.

[Calvo] How much are you willing to compromise on this?

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[Espin] To the extent that we are now compromising; that is very promising. One of the problems Washington is facing is pressure from American industry, which is seeing how the rest of the world has decided to work together with us, and they are prohibited from doing the same.

[Calvo] What was the impact in Cuba of the recent declaration by the Rio Group of Latin American countries regarding the request for a political and economic liberalization on the island?

[Espin] Personally, I am frightened by that declaration. There has always been U.S. manipulation, but what the Argentine Government has done, exerting the kind of influence it has to get the Rio Group to condemn Cuba—well, that is unspeakable. We have filed a formal protest, because what they have done is contemptible and vile.

[Calvo] Do you rule out any move by Cuba to bring about the political changes they are calling for?

[Espin] But we have already instituted political change—with the 1959 revolution. What we have is what the people have mandated, because it was the people who took power. And no one is willing to say that, because they believe democracy is what they have in the United States, where it is economic power per se that drives the country, not the people.

[Calvo] Not even a change within the change?

[Espin] But that change can only be brought about by the Cuban people, and they are defending their conquests tooth and nail. What do the advocates of change want? For us to become a new East Europe, in keeping with the false hopes raised by the United States when they rang the bell of the free market, and today they do not know what to do with the terrible problems they have, much worse than ours.

[Calvo] But many of the demands involve giving Cubans a chance to vote for whatever candidates they want.

[Espin] But they already have that. Candidacies do not come from the parties, but from the people themselves; it is the people who promote the leaders who they think can give them the best social and political service. All those arguments are a big lie promulgated by the counterrevolutionaries, who want us to live the way people in the United States do, so that they can live off the sweat of others. Why do the Americans say that democracy is what they alone have, if they are the people with the least democracy in the world? For it is the economic powers that decide, not the people.

[Calvo] Why, then, do we see phenomena like the flight of the Cuban rafters?

[Espin] There are several reasons. There are people who go to the United States to reunite with their emigrant relatives; there are people who go because they have "bought" the bill of goods the Americans are selling—the idea that they will get rich there and all that; and there are also many who are simply criminals, who want to do in the United States what they are not allowed to do in Cuba—live without working.

[Calvo] At any rate, it is clear there is a certain amount of social disintegration in Cuba because of the political and economic situation, like the rise in prostitution, for example.

[Espin] No, I do not think that is true. That has more to do with tourism, and above all, with the economic difficulties we are experiencing. For young Cubans, this period is their Moncada, their Sierra Maestra, because they have a chance to test themselves to the utmost, which is what this difficult period demands of us.

[Calvo] But it is precisely the young people who have the bitterest criticism, perhaps out of disillusionment, because this situation is not what they hoped to get out of the revolution.

[Espin] But the majority of youths do not feel that way. Most of them feel that this is their time: in putting food on the table, in overcoming difficulties, in preparing for war, which we have been working on for a long time because we have a very powerful enemy. And the only way to defeat a Yankee is to make him very aware that he will lose his children, as happened in the Vietnam war.

[Calvo] Does Cuba think war with the United States is still possible?

[Espin] Yes, because that possibility is always latent. Right now, with the situation in Haiti, we are practically surrounded by American military forces, and they have always taken advantage of such situations to flex their muscles and show off their influence. Aside from the fact that they have traditionally resorted to military invasions, I think the Americans' most dangerous weapon is the export of their neoliberal ideology. And Argentina today is a terrible case in point. This country used to be self-sufficient; it had a great national industry that was excellent, a highly skilled working class, and a high standard of living for workers and the middle class. All of that came crashing down. It was destroyed because businesses and workers' services were handed over to the foreigners. In view of the rates of poverty and deprivation we see here, I cannot lie about the disastrous consequences of this model, which unfortunately is being applied in many other countries with the same results.

[Calvo] Is it possible to imagine Cuba without Fidel Castro?

[Espin] We have some stupendous leadership cadres in the country, who have already taken on enormous administrative responsibilities not only in the central government, but also in the neighborhood centers, in the development associations, and alongside the people, which is where true leaders are bred.

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[Calvo] You evaded my question about an issue that has come to the fore again recently, since Cuban Foreign Minister Roberto Robaina stated publicly that Raul Castro, your husband, is Fidel's natural successor. That would make you the first lady of Cuba.

[Espin] Fidel has already used me as first lady on a few occasions (she laughs). No, that job does not exist in Cuba, nor does it matter much. And it is not that I did not want to answer your question, but that I thought it important to emphasize the tremendous people we have, because in the last few years we really have done a terrific job training cadres. That is precisely because we continue to think about the future, in spite of these difficult times. Fidel cannot live forever, because no one can, but luckily, Fidel is still in very good health and his brilliance is still intact. So it would be foolish to try to do without him just because he is 67 years old. We simply must continue working. What the crisis has done is make us work even harder to continue providing valid solutions to our people.

Official Urges Increased Sugar Production

PA2910202694 Havana PRENSA LATINA in Spanish 2323 GMT 28 Oct 94

[FBIS Translated Text] Havana, 28 Oct (PL)—Esteban Lazo, first secretary of the Communist Party of Cuba (PCC) in this capital, issued a call to recover the levels of sugar production in the country and to guarantee food for the people under the present conditions.

Speaking at an event honoring Commanders Camilo Cienfuegos and Ernesto Che Guevara, two combatants in the war that ousted the dictatorship of Fulgencio Batista in 1959, Lazo said the Revolution is not alone during this difficult period.

Regarding this point, he cited as an example the overwhelming approval of a UN resolution, two days ago, condemning the U.S. biockade. This move occurred for the third consecutive year.

The people's repudiation of the U.S. policy shows the inhumane practice of the (U.S.) empire against a country fighting for its happiness, the leader said.

In front of thousands of youths, workers, and students who gathered in the old Palace of the Revolution (which is currently a museum), Lazo stressed the need not to neglect the vigilance and the preparation for defense.

Concerning this point, he mentioned the recent infiltration of individuals from Miami through the coasts of Caibarien, in the country's central region, which resulted in the death of a fisherman.

He also said the capital is involved in mobilization and is organizing contingents to support the sugar harvest and other farming activities.

On the 35th anniversary of Camilo's death, the Cuban leader asked the people to go to areas near Havana's Malecon and throw flowers in the water to pay homage to the hero of the fatherland who died when the plane on which he was flying fell into the sea during a local night flight.

Other leaders of the Cuban Government and party participated in the activity, which included performances by various artists.

Government To Charge for Potable Water, Sewer Service

PA2910174694 Madrid EFE in Spanish 2048 GMT 28 Oct 94

[FBIS Translated Text] Havana, 28 Oct (EFE)—The Cuban Government will charge for potable water and sewer service effective 1 November and expects to collect approximately 100 million pesos ($2 million) per year according to estimates from the National Hydraulic Resources Institute.

Only residents who have subscribed to the meter system at the tourism resort of Varadero and certain Havana neighborhoods have paid for the potable water service until now, but a monthly fee of 1.30 pesos will be paid effective November by consumers who receive water through interhouse connections and have their facilities connected to the main sewer.

Those who have subscribed to the service will sign a contract with the Municipal Directorate of Waterworks and Sewers, which will establish the service up to the property line and adopt the pertinent measures to guarantee a supply when prolonged interruptions occur.

This measure is one of the economic ones determined by the Cuban Government in recent months to help put domestic finances on a sound basis and to reduce the excess circulating money, approximately 12 billion pesos in June according to the Finance Ministry.

The measures include an increase in the price of cigarettes, rum, gasoline, airline fares, maritime fares, and railroad fares, as well as postal, telegraph, and electricity services.

According to local economists, the increase in cigarette, cigar, and rum prices will remove at least 1.7 billion pesos from circulation (equivalent to the same amount in dollars according to the official rate).

Likewise, they consider that similar results will be attained by the recently created agrarian and industrial market, as well as the tax system imposed on personal income and documents, which has been in effect since 1 October.

The gradual implementation of the tax system alone will result in a reduction of between 500 million and 550 million pesos in excess circulating money by 1995.

Roundup of Economic Developments

FL2910175594

[FBIS Editorial Report] The following is a compilation of reports on Cuban economic developments monitored through 27 October:

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The Hermanos Martinez Tamayo construction contingent of Moa, in Holguin Province, has achieved high economic efficiency during the first nine months of 1994. The contingent's workers have increased productivity, and have lowered production costs, despite shortages of building materials, fuel, and batteries. In addition, they have completed projects for over 15 million pesos, and 54 percent of that sum went to construction and assembly of Las Camariocas nickel plant. (Havana Radio Reloj Network in Spanish 2031 GMT 23 Oct 94)

In Havana City Province, workers from the tourist sector have donated over 250,200 pesos in foreign currencies, which they had received as tips, to the province's health care system. The workers goal is to have donated 500,000 pesos by June. (Havana Radio Rebelde Network in Spanish 1000 GMT 24 Oct 94)

In Cienfuegos Province, a medical facility has received a donation of 10 tonnes of medicine, medical equipment, food, and clothing from a group of workers from the German airline company, LTU. (Havana Radio Rebelde Network in Spanish 1000 GMT 24 Oct 94)

To date, workers from the Cubanacan enterprise in Havana City Province have donated 195,300 pesos, in foreign currencies which they had received as tips, to the province's health care system. (Havana Radio Rebelde Network in Spanish 1000 GMT 24 Oct 94)

In the period from January to September, over 1,400 workers have been relocated in Las Tunas Province, this represents 78 percent of the workers who were declared waiting for a job [disponibles] from different sectors. Approximately half of the works were relocated to other jobs within their same place of work, while the other half were sent to work in other sectors. (Havana Radio Progreso Network in Spanish 1200 GMT 25 Oct 94)

Oil field workers in Ciego de Avila Province have saluted Geologist's Day with the extraction of 95,000 tonnes of oil to date, exceeding the annual goal of 67,000 tonnes. (Havana Radio Rebelde Network in Spanish 1000 GMT 25 Oct 94)

Augusto Simoes Lopez, the representative of UN Food and Agricultural Organization, stated that the FAO has 12 ongoing programs in Cuba to increase agricultural production. They have had excellent results. One of the projects in Pinar del Rio Province, valued at $750,000, is seeking to increase pork production using alternative liquid feed produced with agriculture and restaurant waste. (Havana Radio Rebelde Network in Spanish 1000 GMT 25 Oct 94)

The Econ-dos industrial construction enterprise in Havana is the only one of its kind to achieve profits, accruing over 1.3 million pesos up to September, due to an increase of 12 percent in productivity, higher efficiency, and a reduction in costs. Econ-dos has completed projects in energy and oil plants, among others, and this is the first time it has showed profits since 1987 following the termination of state's subsidies. (Havana Radio Rebelde Network in Spanish 1800 GMT 25 Oct 94)

A presentation during the first international meeting on pharmaceutical technology stressed Cuba's pharmaceutical industry capabilities. Cuba will be able to produce over 11 billion pills due to an ongoing program to expand and build new pharmaceutical industry facilities. (Havana Radio Rebelde Network in Spanish 1000 GMT 26 Oct 94)

In Ciego de Avila Province, during the first 15 days of October 1,460 caballerias were manually weeded, thus surpassing the goal for that period of time. The manual weeding goal had been set at 1,123 caballerias. (Havana Radio Progreso Network in Spanish 1200 GMT 27 Oct 94)

Cespedes Power Plant Unit Maintenance Continues

FL2910031794 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 28 Oct 94

[From the "NTV" newscast]

[FBIS Translated Text] Carlos Manuel de Cespedes power plant unit four, one of the units with the greatest generating capacity in Cuba, is undergoing maintenance. The Japanese-made 158-megawatt plant is being completely overhauled. The backup system will be replaced for the first time ever: The original operated for 15 years before it started affecting the plant's generating capacity. The backup system will be replaced with one manufactured in Cuba, an unprecedented move. The turbogenerator, which has not been opened for 12 years, will be disassembled. Contact was made with the manufacturing firm that will send a technical crew to help work on this section. Cuba is putting more than $1 million toward this maintenance; 90 percent of the contracted resources are already in Cuba. Repairs are scheduled for completion in 100 days—that is, by 21 January. Workers here are determined to complete the work by 31 December for, among other reasons, this maintenance is vital to the sugar harvest. Putting this unit back on line will help stabilize the system and represent a substantial fuel savings. While everyone here is well-intentioned, many are careful about not setting unrealistic goals. The power plant maintenance enterprise, with briagdes from several provinces, is participating in this project.

Text of Worker Relocation Resolution

95CA0007B Havana TRABAJADORES in Spanish 22 Aug 94 pp 10-11

[Text of Resolution No. 6-94]

[FBIS Translated Text] WHEREAS: Resolution No. 4 of 15 March 1991 established the labor and wage regulations that would apply to workers who must be relocated

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as a result of the shortage of fuel or other technical material supplies, structural or institutional changes, or the elimination of jobs because of the application of multiassignment work or other work organization studies and measures, all of them duly authorized; and

WHEREAS: The experience accumulated over the more than three years that the aforementioned resolution has been in place warrants some important changes for the purpose of making more appropriate use of the personnel who are declared available, and ensuring that the state funds allocated for the social protection of these workers are spent as rationally as possible; and

WHEREAS: In addition, the Council of State issued Decree-Law No. 147 of 21 April 1994, which provides for the reorganization of the agencies of the Central State Administration, which consequently must make the corresponding adjustments to rationalize their powers, functions, internal organization, and payrolls; and

WHEREAS: In view of the considerations set forth in the preceding WHEREAS clauses, it is appropriate to replace the aforementioned Resolution No. 4 of 1991 with a new one that, in keeping with the Revolution's invariable principle that no worker should ever be left unprotected, will retain all of the positive aspects of the previous resolution and make the changes warranted by experience and by the conditions of the special period that the country is undergoing, so that, pursuant to the rules of this new resolution and in the orderly fashion mandated by the aforementioned Decree-Law No. 147, the internal organization and payrolls of the agencies of the Central State Administration and their departments can be thoroughly rationalized, along with, eventually, every entity in the country.

THEREFORE, By virtue of the powers vested in me, I hereby resolve to issue the following: **REGULATIONS for the labor and wage standards that will apply to available workers.**

Chapter I. General Provisions

Article 1. These regulations establish the labor and wage standards that will apply to workers hired for an indefinite period of time, designated or selected to occupy a position, and to workers hired for a specific period of time to perform social services, as well as workers who do have a permanent employment relationship but who have entered into a contract for a specific period of time under regulations issued for that particular purpose, and who must be relocated as a result of the elimination of their jobs due to:

a) Structural or institutional changes in state organizations, businesses, unions, and other labor entities, or the elimination or merger of such entities.

b) Reduction in the level of activity for economic reasons.

c) Application of multiassignment work or other work organization studies and measures or production measures to achieve a better use of the work force.

Chapter II. Labor Standards

Article 3. The relocation of available personnel in other jobs should be a response to the need to fill vacancies or to carry out activities that are essential for the entity in question. For these purposes, the following alternatives shall be taken into account:

a) Permanent or temporary relocation in a vacant position for which the worker is qualified and which must be filled.

b) Temporary assignment or support for housing construction, for the development of self-sufficiency plans, for agricultural labor, or for other socially important activities.

c) Enrollment in training or retraining courses, in-house or in another entity, or in courses offered by the National Education System, provided that such courses are necessary for the eventual placement of the worker in a vacant post.

In all cases, the worker's place of residence shall be taken into consideration, to the extent possible.

The provisions of this article do not in any way preclude the worker from finding new employment on his own. The above notwithstanding, the Provincial Labor Offices of the People's Government and the Labor Office of the Special Municipality of the Isle of Youth, where applicable, shall, in conjunction with the corresponding trade union organizations, work with all entities in the territory, be they national or local, to study their labor needs, taking into account the characteristics of each locality. In addition, the aforementioned entities shall study the possibility of creating new sources of productive employment or services based on the development of byproducts or peripheral goods or the provision of services that are in high demand among the populace, as alternatives for the permanent relocation of personnel declared available. For these purposes, the support of the provincial Council of Administration shall be sought.

Article 4. The management, by common agreement with the corresponding trade union organization, shall make an offer of employment for any job that may be open, and shall proceed to relocate any worker who becomes available, based on the analyses carried out by the commissions established at the entity under current legislation for the purpose of hiring, maintaining, and promoting workers.

Such commissions are also empowered to evaluate the situation and make a determination that it is impossible to relocate a worker for reasons of illness, physical disability, problems finding child care for minor children, or other valid causes.

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Article 5. Organizations that have several entities with available workers in a single territory may, upon consulting with the corresponding national trade union and receiving the approval of this ministry, create a temporary organizational unit, hereinafter referred to as the organizational unit, to take responsibility for meeting the needs of such personnel, obtaining a permanent relocation, and paying them their guaranteed salary, as well as other functions that are expressly determined.

Article 6. Once an offer of employment has been communicated to a worker, such worker shall have up to seven calendar days to notify the director of the entity or the person delegated by same of the worker's acceptance or refusal of the offer of employment.

Article 7. Workers who are temporarily relocated maintain their employment relationship with the original entity, or with an organizational unit established for that purpose.

Article 8. If a worker who has been enrolled in a training or retraining course or temporarily relocated cannot conclude the course or work assignment for reasons that constitute good cause, after an analysis of such reasons by the director of the entity or the person delegated by same, the management shall, by common agreement with the trade union organization, analyze the possibilities for relocation, as set forth in Article 3 of these Regulations, and shall make the appropriate offers.

Chapter III. Wage Standards

Article 9. A worker who is temporarily relocated may choose one of the following pay options:

a) To receive 100 percent of the fixed salary he is receiving at his current place of employment.

b) To accept the salary set for the job to which he has been relocated and the terms of payment at the new place of employment, pursuant to current legislation.

Article 10. For the purposes of these regulations, a fixed salary is what the worker earns for up to eight hours a day, 44 hours a week, or 190.6 hours a month, taking into account the stable elements of the pay structure, meaning that any amount received for exceeding targets, overtime work, or bonuses is excluded.

When any element of the fixed salary that the worker earns is conditional upon compliance with certain indicators or terms, the average amount the worker has actually earned on those terms over the past six months of employment shall be included in the fixed salary.

Article 11. Workers relocated temporarily to a vacant position for more than 60 days in another labor entity shall receive their pay for the latter.

When the job relocation is for a period of up to 60 days, the worker's original employer, the organizational unit, or the Municipal Labor Office, as the case may be, shall be responsible for paying the worker's salary.

Article 12. Workers permanently relocated shall receive 80 percent of the fixed salary that they were receiving in their original place of employment, or the salary at the new job, whichever is higher.

Article 13. Available workers who cannot be relocated because of the lack of job offers, or for one of the reasons set forth in Article 4 of these Regulations, shall receive a guaranteed salary equivalent to 100 percent of their fixed salary the first month, and a guaranteed salary equivalent to 60 percent of their fixed salary for subsequent months during which they are not relocated, in the following manner:

—Six months for workers with up to one year of service;
—Twelve months for those with one to five years of service;
—Eighteen months for those with five to 10 years of service;
—Twenty-four months for those with 10 to 15 years of service;
—Thirty months for those with 15 to 20 years of service; and
—Thirty-six months for those with more than 20 years of service.

Workers who complete the period of guaranteed pay without being relocated, in spite of the administration's efforts, shall sever their employment relationship with the entity or organizational unit, and shall be entitled to a subsidy equivalent to 60 percent of their fixed salary, but payable by the Municipal Labor Office out of the Social Security account. The Municipal Labor Office shall continue making efforts to relocate such workers.

The payment of the subsidy shall depend on the number of years of service, according to the following scale:

—Three months for workers with up to one year of service;
—Six months for those with one to five years of service;
—Nine months for those with five to 10 years of service;
—Twelve months for those with 10 to 15 years of service;
—Fifteen months for those with 15 to 20 years of service; and
—Eighteen months for those with more than 20 years of service.

If a worker is permanently relocated during the period when he is receiving the subsidy, such subsidy shall be discontinued.

The Municipal Labor Offices shall ensure that the administrations have exhausted all possibilities for relocating available workers before paying the subsidy on the Social Security account as set forth in the preceding paragraph.

Article 14. Any available worker who rejects an offer of relocation or of enrollment in courses for any reason other than those set forth in Article 4 of these regulations, or who quits or fails a course without good cause,

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shall be entitled to receive from the employer the guaranteed salary only for the first month of the fixed salary, after which such worker shall be terminated permanently.

Article 15. Any available worker who enrolls in a training or retraining course shall, for the purposes of the stipend, be subject to the training provisions of current legislation.

Article 16. If an available worker is receiving the guaranteed salary or the subsidy provided for in Article 13 of this resolution and enrolls in a training course or is hired for a fixed period of time or for the duration of a job or project, or is temporarily relocated, his guaranteed salary or subsidy shall be suspended, and the reckoning of time shall cease for the duration of the employment, course, or temporary relocation. Such salary or subsidy and the reckoning of time shall resume at the end of the contract, course, or temporary relocation, and shall continue until the period of eligibility expires or until the worker is permanently relocated.

If the salary or stipend received for any of the situations described above is less than the worker's guaranteed salary or subsidy, the original employer, the organizational unit, or the Municipal Labor Office, as the case may be, shall hold the difference for the worker until he is eligible for the aforementioned guaranteed wage or subsidy due to years of service.

Article 17. Any available female worker who becomes eligible for maternity leave shall receive the treatment set forth in current legislation governing such matters.

Article 18. When the guaranteed salary or the 60-percent subsidy established in these regulations is not enough to meet the nuclear family's minimum needs, Social Assistance shall take the appropriate measures, as set forth in relevant laws and regulations.

Article 19. Any rationalization processes or other such processes that result in the availability of workers in the agencies of the Central State Administration and its enterprises, unions, and other departments, shall be carried out as of the date authorized by the Executive Committee of the Council of Ministers.

Upon completion of such processes, when it becomes necessary to declare workers available due to the application of other studies of the organization of labor or production in any entity, be it national or local, such measures shall not be taken without the cooperation of the corresponding trade union organization and without due authorization from the provincial director of labor.

Article 20. When an employer is authorized to take the measures mentioned in the preceding article, such employer may proceed to designate and relocate personnel in accordance with the provisions of Articles 3 and 4 of these regulations.

Should a duly authorized labor entity cease to exist and not be replaced by another, its management shall inform the corresponding Labor Office of the authorization and then take steps to relocate its workers to the agency or organization directly above it in the hierarchy, or to another entity in the territory.

Article 21. In the case of available workers assigned to the Municipal Labor Departments, such departments are subject to established provisions regarding course offerings, temporary or permanent relocation, salaries, guaranteed salaries, subsidies, and the permanent or temporary suspension of same, as well as maternity leaves and social assistance where applicable.

Article 22. The management of an entity shall not notify a worker of a decision to declare him available under the following circumstances:

a) If the worker is temporarily disabled due to illness or accident, whether or not it is work-related;
b) If the worker is carrying out an internationalist mission, a military mobilization, or some other mission of economic and social interest;
c) If the worker is on his annual paid vacation;
d) If the worker is fulfilling his Active Military Service;
e) If a female worker is on maternity leave, whether paid or not; or
f) If the worker is on another legally granted leave.

The original employer or, if such employer ceases to exist, its replacement, shall serve such notice on the worker when he or she returns to work.

When, in exceptional cases, an employer ceases to exist and no other entity takes its place, the notice referred to in the preceding paragraph shall be served by the Municipal Labor Office.

Special Provisions

First: If a worker is fulfilling an internationalist mission when his job is eliminated, the employer or its replacement, as the case may be, shall continue paying the worker his salary upon his return, and shall initiate the entire process of relocation provided for in these regulations, after the worker has taken his accrued vacation.

Second: Combatants in the War of Liberation and the Clandestine Struggle who are declared available shall also be subject to the provisions of Decree-Law No. 91 of 2 December 1985.

Third: Workers who are called for Active Military Service, who join microbrigades or other social projects, and such other workers as the law may determine, whose jobs are then eliminated, shall maintain their employment relationship with the original employer until they return to work, at which time they shall become subject to the provisions of these regulations.

Fourth: If a worker who has been declared available is a retiree hired for an indefinite period of time, he shall receive the guaranteed salary corresponding to the first

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month, and after such payment the employment relationship shall be terminated.

Fifth: Any available worker who has been declared by the Medical Examiners Commission to be totally disabled and unable to work and whose pension file is about to be opened or is being processed, shall continue receiving the subsidy for which he is eligible under the Social Security System until a decision is made on his pension.

Sixth: Workers declared redundant or available and permanently relocated under Resolution No. 4 of 15 March 1991 shall continue to receive their fixed salary as long as they remain in the job or occupation to which they were relocated, or are subsequently promoted to jobs of equal or higher complexity or pay, but still lower than their fixed salary.

Seventh: Personnel declared redundant or available under Resolution No. 4 of 15 March 1991 who are awaiting relocation shall be subject to the provisions of these regulations as soon as such provisions take effect.

Eighth: Operators of agricultural machinery who are declared available shall continue to be subject to the labor and salary provisions currently governing that activity.

Ninth: If an available worker is receiving a subsidy from the Municipal Labor Office and reaches retirement age, his retirement shall be processed immediately, provided that he agrees to retire and has sufficient years of service.

Tenth: Workers whose jobs are not eliminated but whose classification and pay bracket are modified by organizational measures applied in the entity where they are employed, and who therefore continue carrying out the same functions, shall not be considered available, and shall continue receiving the fixed salary they have been receiving, even if it is higher than that corresponding to their new position.

Eleventh: With respect to the application of the provisions of these Regulations to the teaching, scientific research, medical, art, and journalism professions, and to those expressly authorized by legislation, the functions assigned to the commissions in Article 4 shall be assumed by the agencies or authorities approved for that purpose by specific legislation.

Final Provisions

First: The corresponding vice minister of this Ministry of Labor and Social Security is authorized to issue the necessary guidelines for the proper execution of this resolution.

Second: Resolution No. 4 of 15 March 1991 and Paragraph 7 of Resolution No. 3 of 31 March 1992, issued by the entity formerly known as the State Committee on Labor and Social Security, as well as such other provisions of equal or lower precedence that contradict the provisions set forth herein, are hereby repealed.

Third: These regulations shall take effect as of 1 September 1994.

Fourth: These regulations shall be published in the Official Gazette of the Republic for public dissemination.

Done in the City of Havana on 18 August 1994.

Francisco Linares Calvo Minister of Labor and Social Security

[For related reporting see FBIS-LAT-94-167 p. 7]

Vandalism of School Reported, Reasons Explored

95CA0007C Havana GRANMA in Spanish 27 Sep 94 pp 4-5

[Report by Vladia Rubio]

[FBIS Translated Text] Doors torn off their hinges; chairs, tables, windows, and glassware destroyed; library shelves knocked down and textbooks torn up and battered; washbasins cracked; classrooms wrecked and documents destroyed; lights and locks removed; much of the equipment in the physics lab stolen or viciously destroyed.

This is the state in which the Martires de Humboldt 7 basic secondary school, in downtown Havana, Cayo Hueso, was found by employees when they arrived on 24 August. Rumors circulated that classes would not be able to start on 1 September.

All indications are that the damage was done primarily in the third week of August, but that it was not a single incursion; incidents had been happening for months there.

"It is not a single incident of theft, but vandalism, counterrevolution," says Pedro Pascual Betancourt, acting director of the Board of Education [Municipio de Educacion]. He is filling in for the regular director, who is in the hospital.

"What caused these acts?"

"Some patrols were not carried out, and there is also the problem of the night watchmen. The payroll is covered for short periods; they have a low salary, and they do not want to take chances in a place where there is no guarantee for their safety. There was not a strong bond with the community, and we as an institution were not capable of strengthening it."

Alberto Rodriguez Ricardo, the member of the Municipal Bureau of the Party in charge of education, science, culture, and sports, agrees with Pascual. He goes on to say:

"In June we began to see instability in the school administration, but even before that there were problems, because the community has not been won over in

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terms of interrelations, a sense of belonging. In addition, the administrative council was not cohesive, so the place became a no-man's land."

At the end of the school year the principal was asked to step down, and during the vacation, instructions were ignored, and security was neglected. Now, the former principal will be held accountable for that negligence under Decree-Law 92 on material responsibility, according to the Board of Education.

Rodriguez Ricardo explains: "We got together with the Board of Education and drew up a Protection Program for the schools for the months of June, July, and August. We checked it rigorously. There were no incidents at any of the 69 campuses in the territory, except at Humboldt 7. Its staff failed to define how they intended to protect their campus."

Alberto adds: "The Board of Education lost control of the school. It should have gotten special attention, precisely because of the instability of its administration, its location, and its past record. What we have is a chain of events for which we are all to blame: we, the school, and the community above all."

Voices in the Community

There are buildings adjacent to Martires de Humboldt 7. One merely has to look out a window or over a balcony to get a panoramic view of the school.

No neighbor heard the breaking glass, the library shelves falling down? No one saw all the property being removed, some of it very bulky?

The fact is that the community has been described as passive, indifferent.

"Passive?! No, we have not been passive. What we are is powerless. No matter how much we complain to the municipal authorities about the problem, we have never gotten any response."

These are the words of Zenaida Salas Suarez, president of the Committee for the Defense of the Revolution (CDR) and one of the secretaries of the party's district board. She lives across the street from the school.

"I think the intermediate officials should look after these things, and if we go wrong sometimes, it is because there is no discipline, no control. It is really important for them to come down to the rank and file. Everyone is to blame, sure, but there is a level at which people have much more responsibility than the rank and file, because the community does not have the means."

Zenaida says that the situation of virtual neglect at Humboldt 7 had been analyzed by officials of the territory, district board, People's Government Assembly, the CDR, and the SUVP [Unified Vigilance and Protection System]. Meetings were scheduled, but sometimes they had to be canceled because hardly anyone showed up. She speaks of letters sent to the Board of Education, communications sent to the Party Bureau.

But does Zenaida speak for all the members of the community? A combatant mother, Dolores Santana, who lives nearby, does not agree with her assertions:

"The school did not have a lot of support from the community; the parents themselves do not pay much attention to their children. This was a disaster, an act of counterrevolution. The school has asked for support, but they do not respond. If we had all united...."

At the School

Anyone coming now to Martires de Humboldt 7, located at Callejon de Hamell and Hospital Streets, would never know that a catastrophe had occurred here.

After Friday, 26 August when the 34 employees of the school (28 women and six men) showed up for work, it was as if an unstoppable force had grabbed brooms, hammers, machetes, mops...in three days, with the help of the Board of Education, the Party Bureau, and some parents and students, almost everything was brought back to normal. The place became a beehive of activity, to "lock the barn door after the horses have gotten out."

Before the incident, there were people at the school who did care about its security. This is the opinion of Orquidea Campos, secretary of the Party Board on campus. She founded the board here, where she is a math teacher.

"I do not think we have been passive. We talked to the National Revolutionary Police (PNR); we got support from the patrol of the Military Committee that used to be located at the back of the school; we expressed our concerns about this matter during the workers' parliament held at our workplace. But in fact, we were incapable of devoting a lot of energy to school security."

"What steps does the Party Board intend to take now?"

"We talked to the comrades at the CDR and the District Board, and we plan to propose at the first parents' meeting that they join our patrol system."

The patrols that were set up during the vacation period violated the instructions of the Board of Education; only two school assistants were present on campus until 1800 hours, and then, nothing. Some witnesses said, however, that "a lot of teachers came around."

The Party Municipal Bureau, upon learning of the events, focused all of its efforts on rebuilding the school. It was not a question of sweeping the problem under the rug once the damage had been repaired.

Alberto Rodriguez Ricardo, the Party Municipal Bureau official quoted earlier, explains:

"The party is there to exercise discipline, to oversee. When we agreed to set up the Protection Program, there were inspections, and the program worked. Humboldt 7

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was the only exception. I got the news on 25 August, after the incident had occurred. I am unaware of any meeting to which we were invited before that, except for one that the secretary of the District Board held with the first secretary of the Municipal Bureau, Comrade Penalver, who gave her instructions regarding the role that the local SUVP was to play. At any rate, I reiterate that we are also to blame, because we are the Party Municipal Bureau."

"What do you think of the involvement of the Party Board at that school?"

The municipal inspector of education, Teresa Martinez, whom Alberto has invited to participate in this interview, speaks up:

"We do not have a strong board there; there are not very many members. They do not operate very effectively, and that is another reason why things have gone the way they have at the school. They studied the situation as soon as the first incidents began to occur, but they did not take operational measures or demand that any be taken."

"What followup was done on the political work of that board before the disaster? What support did they get from you, what recommendations?"

Alberto responds: "In our opinion, Humboldt 7 has always been a trouble spot, but in a place where there are four party members, even if they are very good, it is a very difficult situation if the school does not have a strong administrative council, a good principal. The board devoted most of its energies to supporting the school administration on educational matters."

Later on, Alberto concludes, "After the events occurred, the Municipal and Provincial Party Bureaus, the Municipal and Provincial Boards of Education, and the Ministry of Education (Mined) met with the school, and the concerns expressed were along the lines of: What was the patrol going to do at the school? I think the same thing they did and do at other schools: really respond to the situation. It is not a matter of expressing concerns and then waiting; they must impose solutions."

Closing Remarks, Not the Last Word

The police investigation aimed at discovering who instigated and perpetrated the acts has not concluded. It is likely that one of the planners or perpetrators was a parent of a school-aged child, or perhaps of a student at that very school. In their desire to cause damage and thwart noble efforts to open all schools this term, they appear to have forgotten that among the main victims of these counterrevolutionary acts are their own children, or their neighbors' children, their friends' children, or simply a child like their own, the intended recipient of the great efforts that are now being made to keep the National Education System working, in spite of the current hardships.

But they are not the only ones to blame for what happened. Also to blame are those who adopted a passive or indifferent bureaucratic attitude, those who did care but did not act decisively, those who were indolent or turned a deaf ear....

It is true that the neighborhood, the neighbors, mostly showed no interest in what was happening at Humboldt 7. "There is no feeling of belonging," repeat the sources we interviewed. But what did the school do to make all those neighbors feel that the school really belonged to them?

The principal washed his hands of the campus, but there was still an administrative council, a faculty, and a Party Board who did not do their duty or take initiatives following the suggestion of the Mined officials who visited the campus after the incident: to appeal to parents and to the Pioneers for help, not only during the vacation, but much earlier, all the time.

The leaders of the CDR and of the District Board did care about the school, but they also failed to mobilize, to raise the consciousness of the masses; and finally, they threw up their hands because they lacked the means to lock doors and gates, because the campus was too dark....

The Board of Education, for its part, does appear to have let Humboldt 7 get out of control, and did not take any special interest in the school. One might conclude that it also failed to monitor the quality of the political-ideological work that was going on at the school, because if it had, it would have realized that hardly anyone regarded the school as if it were their own home—they agreed to protect it only until 1800 hours. This, in spite of the fact that carrying out increasingly forceful political-ideological work was precisely one of the 10 work instructions issued by the Mined for the last term—and for this one.

The party's work, both at the municipal level and at the school itself, was lacking. Party officials also are guilty of "locking the barn door after the horses have gotten out."

The Party Municipal Bureau can also be assumed to have failed to discern the true extent, the extremely limited extent, of the political-ideological work carried out by that board prior to the events. If it had, it certainly would have given the board more direct support, more specific recommendations, and also more constructive criticism in that regard.

The rapid and effective repairs done to the school demonstrate the potential that exists there, because everyone showed up there, made sacrifices, showed interest, expressed concern, took the initiative, and got things done.

Too bad it came after the fact.

[Box, pp 4, 5]

After this report was completed, GRANMA learned that on Sunday 18 September, a meeting was held involving all the officials related to this case, and the following agreements were made:

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- To organize socially useful work brigades, on the principle that the person who cleans up should not dirty the place, and to establish a student-teacher patrol.
- To set up a parent patrol.
- To repair the remaining damage at the school with the help of brigades of parents, organized by classroom.
- To have the People's Council and the PNR give special attention to the school.
- To put the perpetrators of these acts of vandalism on trial to set an example, once the facts have been brought to light. It was announced at the meeting that some of these citizens have already been arrested.

GRANMA will report to its readers the results of the police investigation when they become available, and it will keep its readers informed of the trial that will serve as an example, as well as the legal conclusions derived from it.

Bahamas

Government Aims To Induce Haitians To Return Home

FL2910011394 Nassau Bahamas Radio Network in English 2230 GMT 28 Oct 94

[FBIS Transcribed Text] The repatriation process of illegal Haitian nationals is set to begin tomorrow. Deputy Prime Minister and Minister of Foreign Affairs the Honorable Orville Turnquest stated that some 359 Haitian immigrants will depart the capital for Haiti sometime tomorrow. It is the first time such a move took place since the return of Haiti's president, Jean-Bertrand Aristide. The Minister of Justice and Immigration the Honorable Janet Bostwick earlier stated that the government will soon put in place an incentive program to induce Haitian nationals, especially those residing here illegally, to go back to Haiti freely without being deported.

Prime Minister Satisfied With 25 Years in Parliament

FL3110002894 Nassau Bahamas Radio Network in English 2330 GMT 30 Oct 94

[FBIS Transcribed Excerpt] The prime minister said he would be satisfied to complete 25 years of Parliament, no more, no less. This announcement came during a hard-hitting address last evening at the (Market City) constituency installation banquet, in Grand Bahama. It may sound like somewhat of a contradiction that the country's leading [words indistinct], but, as Lionel Gordon reports, Prime Minister Ingraham was referring to 25 years in Parliament and not [words indistinct]. [passage omitted]

Haiti

President Aristide Urges Mutual Respect, Peace

FL3110235394 Port-au-Prince Radio Metropole in French 1600 GMT 31 Oct 94

[FBIS Translated Text] President Aristide called for the disarmament of the section chiefs throughout the nine geographic departments of the country. President Aristide spent his first weekend out of the National Palace and made this statement in his residence in Tabarre. He called on the section chiefs to have a new attitude toward the peasant population. Moreover, Aristide warned peasants against possible reprisals against the disarmed section chiefs. Officials of the Communal Section Administrative Council [CASEC] have been asked to cooperate with the section chiefs while the law on territorial communities is established, which will determine the status of these local elected representatives.

President Aristide, who was speaking at his private residence in Tabarre, where he arrived by helicopter on 29 October, insisted on the necessity of peasants bringing their cases to court.

[Begin Aristide recording, in Creole] Both citizens who were section chiefs and those who were not, must live in harmony because we must respect everybody's rights. Article No. 18 of the Constitution states: We are all equal in the eyes of the law. If injustices exist, we must submit our complaints to the courts so we do not engage in violence or retaliations. Former section chiefs must behave in their localities. So, instead of beatings and gunshots, we should use words to establish peace. Nobody should say: Now, the section chiefs are no longer chiefs, so let us make them pay for what they did to us. No, as I already said, if there are injustices we must go before the courts.

As for the government, we are working toward laying the legal foundations of the fine house of democracy that we are building together with the international community. Article No. 64 of the Constitution states: The government must see each communal section gets all the necessary means to give proper training. Every citizen in the section must learn to work together for the country's well-being while learning to behave properly with one another. While we wait for the senators and deputies to vote on the law that will explain how communal sections will function, I encourage the CASEC members to cooperate by educating the people so that peace can prevail in all our communal sections.

Let us remember Article No. 63 of the Constitution, which stipulates: Each communal section is headed by a three-member council. The people appoint those three members by elections every four years. Cooperation between former section chiefs, CASEC members, U.S. military, the multinational force, and the citizens living in the communal sections will lead us directly to reconciliation, justice, peace, mutual respect, and respect for everyone's rights.

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Article No. 4 of the Constitution stipulates: All Haitians are free; all Haitians are equal; all Haitians are brothers and sisters. Let us live like brothers and sisters while pouring the coffee of reconciliation through the filter of justice so that we do not obtain violence or vengeance. Alone, we are weak, but together we are strong; united we are lavalas. [end recording]

The president also took the opportunity to congratulate the U.S. and Haitian military for having [words indistinct] watered the garden of reconciliation.

Senator Expresses Concern Over Michel Program

FL0111005294 Port-au-Prince Signal FM Radio in French 1030 GMT 31 Oct 94

[FBIS Translated Text] There is a division in the Haitian Parliament concerning Mr. Smarck Michel's appointment as the new prime minister of the legitimate government of Haiti. Positions are varied and in accordance with political affiliations. In fact, Senators of the Alliance for Parliamentary Cohesion [ACP] are questioning the prime minister's program, which should represent the major interests of the Haitian people.

In that sense, Senator Ebrane Cadet held a news conference during which he stated:

[Begin Cadet recording, in Creole] It does not matter who is chosen for the position. We are not concerned about the individual, but about his program. Does this individual, who will be presented to us as the new prime minister, have a program which represents the major interests of this country? Does the country...[Pauses] Do we, as representatives of the people, agree with this program? That is what we are mostly concerned about. It is about the government's program and not the individual in particular. [end recording]

Jamaica

Prime Minister Urges Public To Review Land Policy

FL2910025594 Castries HTS Caribvision Television in English 1945 GMT 28 Oct 94

[From the "Caribbean Evening News" program]

[FBIS Transcribed Text] Jamaicans will have an opportunity to discuss government's proposed land policy in a series of public fora. The program was launched by Prime Minister P.J. Patterson. Robert Royer was on hand, and he filed this report:

[Begin recording] [Royer] The green paper outlining the national land policy has reached another crucial stage. It's now officially in the hands of the public, and the government is hoping that everyone will participate.

[Patterson] I am exhorting every individual within this room and outside of this room, every group in the society, every sector at every level to study the draft comprehensive land policy.

[Royer] The government has planned public forums on its land policy in every parish. Regarding legislation, there are proposals to review some 100 pieces of land and land-related legislation.

Prime Minister Patterson boasted about Operation Pride and (?other) programs designed to address urgent problems relating to land issues. And Wednesday, major progress was made on the Operation Pride with the signing of the (Flankers) land deal. But the draft land policy is designed to ensure that problems like (Flankers) don't reoccur in the future. Professionals are viewing the document with interest.

[Unidentified speaker] Now, the professionals who have worked on this initial document, who have given freely of their time and energy, would wish that this starting point develop into something real action and that out of that action would come increased productivity and a better, more reasonable life for the members of Jamaica.

[Royer] Land management and development, the environment, conservation, and disaster preparedness are some of the more crucial areas addressed in the draft policy, a policy that could be law by March.

[Patterson] This policy is going to be debated in Parliament and promulgated during the tenure of this administration and to which the government will fully subscribe. We want it to be accepted as a national policy and not simply as a statement of policy emanating from the particular government of the day.

[Royer] The public is likely to have until the end of January to make their contribution, contribution to a Jamaican document produced by Jamaicans for Jamaicans. [end recording]

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Arrested Drug Trafficker Extradited to U.S.

PA3110160694 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 31 Oct 94

[Report by Raul Sanchez Carrillo; from the "Early Morning" newscast]

[FBIS Translated Text] [Announcer] Last night alleged drug trafficker Juan Chapa Garza, president of the (Axtlan) syndicate, was extradited to the United States. Chapa Garza, who was arrested last weekend in La Paz, Baja California, is an American citizen by birth, and is also known as Jose Luis Garcia Trevino. There has been speculation, especially last weekend, that he could be Juan Garcia Abrego, the much sought-after head of the Gulf Cartel. We have a telephone report from Raul Sanchez Carrillo. Go ahead with your report, Raul.

[Sanchez] Thank you. Last night, alleged drug trafficker Juan Chapa Garza, or Jose Luis Garcia Trevino, who was arrested last weekend in La Paz, Baja California, was turned over to U.S. authorities. Chapa Garza is one of the drug trafficking leaders who has a pending arrest warrant as well as an extradition request from the U.S. Government on charges of introducing more than 500 tons of cocaine into the United States.

After his arrest, Chapa Garza was transfered to Mexico City on Saturday by agents from the Attorney General's Office [PGR] and positively identified by Pablo Chiapas Ventanilla, director of the PGR's Preliminary Investigations Department. We were able to learn that the entire extradition process went rather quickly despite the PGR's refusal to disclose any information, and even indicating that the Preliminary Investigation director was not in Mexico City. Juan Chapa Garza, alias Jose Luis Garcia Trevino, was identified as head of the industrial syndicate (Axtlan) and is also believed to be Juan Garcia Abrego, who had undergone plastic surgery to change his features. Further identification will be established through blood typing, genetic coding, and dental analysis.

The arrested drug trafficker posed as a successful entrepreneur and used up to eight different names, including Juan Lopez Lopez, Juan Chapa Garza, Juan Lopez Garza, Jose Luis Garza Lopez, Jose Trevino Garcia, in addition to John Lopez, which is the name given to him at birth. Chapa Garza was a director with the (Axtlan) syndicate and was able to elude authorities by posing as a businessman and an investor.

The arrest was made by federal agents assigned to a special group headed by Adrian Carrera Fuentes, director of the Federal Judicial Police [PJF] in La Paz, Baja Califonia.

What was Chapa Garza doing in Baja California? Well, organizing a news conference to deny allegations that he was a drug trafficker and involved in money laundering.

That is how, once again, the PJF has been able to arrest another major drug trafficker a mere few weeks prior to the culmination of this administration's six-year period. As we pointed out, this time the drug trafficker was someone who was eagerly pursued and who has been able to elude the authorities for quite some time by posing as a successful businessman. That is the report.

[Announcer] Raul, what crimes will the authorities charge him with?

[Sanchez] The United States will charge him with health crimes, specifically purchasing, trafficking, marketing, distributing, and illegaly introducing cocaine. Mexico will charge with the same crimes. The extradition order also describes him as a highly dangerous person.

Judge Sentences Colosio Assassin to 42 Years

PA3110221694 Madrid EFE in Spanish 2139 GMT 31 Oct 94

[FBIS Translated Text] Mexico City, 31 Oct (EFE)—A judge sentenced Mario Aburto Martinez today to 42 years in prison for the assassination of presidential candidate Luis Donaldo Colosio, the Attorney General's Office announced today.

The official source added that the first district judge headquartered in Toluca, the capital of Mexico State, which borders with this metropolis, handed down this ruling after a trial that lasted seven months and five days.

Lawyers To Appeal Sentence

PA0111042594 Mexico City Radio ACIR Network in Spanish 0000 GMT 1 Nov 94

[Report by Claudia Ballesteros; from the "Evening News Panorama" newscast]

[FBIS Translated Text] First Criminal Judge Alejandro Sosa of Toluca, Mexico State, sentenced on 31 October Mario Aburto Martinez, who confessed to having assassinated Luis Donaldo Colosio Murrieta, to 42 years in prison for first-degree homicide [homicidio calificado].

The sentence was announced seven months after the homicide of Colosio Murrieta in Lomas Taurinas. Mario Aburto Martinez was advised of this sentence at the Almoloya de Juarez Prison during the afternoon. The Federal Attorney General's Office announced it will appeal this ruling, because it wants 50 years for Mario Aburto Martinez for premeditated, coldblooded homicide. Meanwhile, Aburto's defense lawyers also announced they will appeal the sentence handed down on 31 October. They will request an eight-year prison term, claiming this was a simple and unpremeditated [simple imprudencial] homicide.

Subcommander Marcos Interviewed by LA JORNADA

Marcos Comments on Peace Process

PA3010021394 Mexico City LA JORNADA in Spanish 22 Oct 94 p 15

[Second of four installments by Hermann Bellinghausen on a series of interviews with Subcommander Marcos,

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leader of Mexico's Zapatist National Liberation Army, by unidentified reporters in the Lacandona jungle, Chiapas State, on 20-23 October; the following is from an interview on 21 October—all quotation marks as published]

[FBIS Translated Text] Amid the solitude that surrounds Aguascalientes and the evening silence—a silence only broken by the fluttering of the stretched canvas of the tent—Subcommander Marcos, with his R-15 assault weapon resting on his lap, talks into the tape recorders whose ribbons turn clumsily.

Marcos says: "We have maintained that we want a political and peaceful solution to the conflict. We did not interrupt the dialogue to resume hostilities but, rather, to point to a specific situation that is detrimental to us and to note that the dialogue is at a "standstill."

The afternoon sun shines on the mud, and the mud begins to harden. In the middle of the empty esplanade of Aguascalientes, a few chairs illuminated by blue candlelight from the tent seem to remain undisturbed.

Marcos says: Right now, the image we have of the federal government is that of a weathervane in the middle of a storm.

When discussing the recent National Defense Secretariat [SEDENA] communique denying Zapatist claims of actions SEDENA is allegedly carrying out, as well as the fact that the communique again refers to the Zapatists as "transgressors," Marcos notes:

A few days ago General Riviello Bazan, head of SEDENA, said the EZLN [Zapatist National Liberation Front] should surrender its weapons and become a political force to channel its demands, but now it just so happens that we are once again the transgressors. This is absurd. How can he tell transgressors to become a political force? There is no coherence in their position. It is like telling the Gulf Cartel to become a political party. They either treat us as criminals or treat us like an organization with legitimate political demands. We cannot receive signals that are so mixed.

Marcos adds: "How can the Federal Army explain such double standards? Also, in one of its communiques it said it endorses a political solution to the conflict, and now it winds up saying that the Federal Army continues to obey orders from the executive branch—in other words, it has no desire for a peaceful solution. There is hypocrisy, or rather inconsistency, in the Army's statements. You cannot propose a dialogue with a person if you treat him like a criminal. If he is a criminal, you have to fuck him; if he is not, you have to treat him right. There is inconsistency, and this cannot be. On the one hand the commissioner, who is a Federal Government official, calls on you to negotiate and, on the other, SEDENA, which is also part of the Federal Government, tells you that you are a transgressor.

"We believe there is an internal struggle within the government. It seems that part of the government wants war and the other wants a political settlement."

We ask the subcommander: Are we talking about a hard-liner within the government?

He responds: Well, SEDENA has always been a hard-liner. There is no doubt the military leaders favor a military solution, but they used to have varying positions. The fact that Gen. Riviello Bazan said, "let them put down their weapons and become a political force," indicated that this was one way to resolve the problem, but it also was an ultimatum, although a rather political one.

While Marcos discusses the efforts of mediator Samuel Ruiz and his new proposal on the National Mediation Commission, the wind, which would die down later, keeps beating against the tent.

Marcos says: With regard to Bishop Ruiz Garcia's work, we see that during the period following the talks in San Cristobal he was under a great deal of pressure, and not from the Zapatists. He was pressured by internal conflicts within the church, by the government, and by the local situation. All of this limited his freedom to channel his efforts to resolving the conflict.

"It is my opinion that the bishop, as well as Camacho, thought the talks had been sufficient and that the signing of an agreement was just paperwork for the EZLN, a democratic procedure, but nevertheless paperwork after all. They thought it was only a matter of getting the people to support the signing of the peace agreement.

"Consequently, they were not prepared for anything else or made any effort to secure the continuation of the dialogue. They did not consider the possibility of a 'no' or of a break in the cease-fire; in other words, they did not realize that many things could happen and that they had to guarantee the effort would continue. After the 'no,' there was no other initiative from anywhere and the dialogue ended. It was reactivated in August, but not through the initiative of the mediator or the commissioner; rather, it was our initiative. We had to come to an agreement for the elections. There was historical blindness. There has been no peace process in the world that has been so quick and spectacular as they announced it.

"The result is we later saw that the mediator had been left very much alone amid great national expectations, in some cases international expectations, because he was a local figure and had many limitations, starting with the fact that he belongs to an institution as strict as the Catholic church, and amid a political situation as precarious as the one in Chiapas.

"Referring to the National Mediation Commission, since the start we insisted it should be pluralistic. There was opposition at the time, both from the bishop and Camacho, and the dialogue in San Cristobal began only

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between them and us. We accepted this because civilian society exerted pressure, and therefore we immediately began the talks.

"Following the 'no' to the government's proposals we insisted on increasing the mediation, but, because they did not expect the San Cristobal dialogue's failure, they had nothing else ready. Later, when Jorge Madrazo was recognized, we insisted—along with Samuel—that he could continue alone until the electoral situation was clear but other personalities had to be incorporated.

"The fact that a truly collective National Commission has now appeared represents progress, but I think the problem will be caused by the federal government, because a commission of personalities is not convenient for them. In fact, the immediate reply from Salinas and Madrazo regarding the rupture is to insist on a direct dialogue—in other words, to set aside the mediation. I think Madrazo has insisted on a direct dialogue because the previous mediation work did not bring much satisfaction to the government because, among other things, it was said that Samuel was really not neutral. We say he was so neutral that he left both sides unsatisfied."

We then ask the subcommander about the people proposed for the new commission.

Marcos responds: We have just received the proposal. We know some of them, and we think they are honest people who have insisted that a political solution is the only possible one. However, I repeat, the mediation is not the problem; the parties must show willingness to participate in a dialogue, instead of only saying it."

After noting that the CCRI is currently evaluating the mediation proposal, we ask: Regardless of what the committee decides, what is the Zapatists' position concerning the peace process?

Marcos says: We have insisted that we advocate a political and peaceful solution to the conflict. We did not disrupt the dialogue to renew hostilities, only to point out a specific situation that was detrimental to us and to show that the dialogue had reached a stalemate because we have not received acceptable proposals to renew it.

Just to make sure everything is clear, Subcommander Marcos answers a question from a female reporter who has asked him about his assessment of the dialogue process with the federal government between January and late October.

He says: "Initially, the goal was to have a force that rebelled against the government decide to suspend its military actions and talk with its enemy in a country with such a very long tradition of treason. That was Manuel Camacho's phase, and it was characterized by a various signals aimed at quelling the two parties' belligerence and lessening the points of conflict. The two armies' mobilizations decreased. They released our prisoners and we released [former Chiapas Governor] Absalon Castellanos; surveillance flights decreased; we reduced our troop movements; and we ended in a dialogue at the cathedral.

"The first achievement was that two forces engaged in a fight to the death ended up sitting down to talk and listen. Camacho insisted that our struggle is local and waged by Indians. We insisted on the national character of our demands, and we ended with two points of a statement issued by the commissioner regarding the national demands. In fact, there were more, and the reply to the list of demands, 32 points, only refers to the local Indians' situation, and sometimes it only refers to the Indian population in the municipalities that were involved in the conflict.

"The next phase was a consultation within our rank and file, and the warmongering atmosphere declined even further, because we had to pull back our troops to enable them to consult with their communities. The Federal Army eased its presence even more in terms of the roadblocks; and there was certain trust that the other side would do nothing. We knew the Federal Army's intelligence services found that our troops had withdrawn to their towns and that we did not threaten them with reactivating the conflict. The roadblocks were only used to control gunrunning; there were no arrests; and reconnaissance flights continued night and day, but far away from our positions.

"But then came Colosio's assassination. We expected a hardening of the military position, but this did not happen. The overflights increased and their positions were reinforced, but without increasing troops. Let us say the problem remained a political problem, and the ones who hardened their attitude were the cattlemen, the upper middle class, and the reactionary groups.

"We activated the consultative process that led to the 'no.' From that point on, we stayed away from the cathedral did not make any contact with the mediator until the month of May. At the time we agreed to renew the consultative meeting that had been suspended since Colosio's murder. The understanding was that both sides would cease all types of aggression.

"When the Zapatist 'no' was announced on 10 June, a give and take situation erupted in the power group with respect to whether or not the negotiations had failed. Camacho resigned and we decided not to address the government any longer but, rather, to address the Mexican people, and we summoned the National Democratic Convention [CND]."

Marcos is asked whether the dialogue broke off at that moment.

He replies: "No. The committee simply perceived it as the end of a phase that led to proposals we viewed as unsatisfactory. We believe that the new phase must be one of national dialogue. In order to set aside the armed struggle, as well as the role played by the EZLN, we

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decided instead to speak to society to encourage it to adopt a more leading and objective role. At any rate, the 21 August election problem was still pending. Dropping all belligerent positions was one thing, and opening our territory for elections was another.

"The federal government found itself in a position in which it had to renew the dialogue and decided to appoint Madrazo. We decided to recognize him, but with the intention of negotiating the elections in rebel territory. Proposals and counterproposals went back and forth between the IFE [Federal Electoral Institute] and the State Electoral Commission. The elections took place in a manner we believe should have taken place throughout the country—that is, under the responsibility of civilian society. Irregularities were practically nonexistent.

"Then a new national dilemma developed. While there was talk about the nationwide incontrovertible victory of the Institutional Revolutionary Party [PRI], there were numerous instances of irregularities throughout the state of Chiapas, but few opportunities were given to file challenges. Dissatisfaction against Robledo began to gain momentum. At the same time, even though efforts were taken to make the PRI's victory appear legitimate, as of 22 August the number of troops began to increase, and this was explained as an alleged troop replacement. However, soldiers never left or moved out. The first positions replaced included garrisons such as Tapachula, Arraiga, Tonala, Tuxtla Gutierrez, Villahermosa, and Tenosique, as well as Cintalapa, and other regions. Later, technical reinforcements that included armored personnel carriers and infantry weapons started arriving. These weapons also included surface-to-air [as published] missiles favored by the Federal Army during urban warfare, as well as against embankments (buildings and cement trenches). This could no longer be considered a simply defensive measure; instead, these were offensive movements. No one would amass so many troops simply to have them sit there. It is much more difficult to have them idle than to have them moving.

"We interpreted this as an action rooted in fear of disturbances and a precaution in case of an outbreak. Patrols inside Zapatist territory began to take place. These patrol columns were meant to provoke, because if ambushed they had no way of receiving support. These troops were practically being sent to be sacrificed if a clash broke out.

"All of this coincided with Salinas' 12 September statements related to legality. Some very aggressive overflights took place on that same night, and they continued in the following days.

"Commissioner Madrazo continued to insist on personal contacts to restart the dialogue, but without proposing an agenda. My fellow committee members said to me: 'Well, that is fine, but what are we going to discuss? If we are going to discuss the same issues covered in San Cristobal, then there is no point. It is over; they must offer new proposals.'

"I cautioned Madrazo in a letter I sent him saying that the signals we were receiving pointed to war. He only stated that the govermment reiterated its willingness to hold a dialogue. It was at this point that we decided to issue the communiques denouncing the situation, and he replied that the information provided was insufficient. We provided specific dates, times, and places, and once again he replied that there was a disposition to dialogue and that the government would investigate. The rest of the committee members only had eyes for the constant overflights, as well as the reinforcements at the checkpoints. It was at this point when the committee decided to break off the dialogue, because they became convinced that it was impossible for Madrazo to propose a dialogue while military aicraft continued their overflights.

"We decided to warn the CND, which was undergoing problems of which all of us were aware. We made the decision to break off the dialogue without consulting the CND, because we had no mechanisms to resolve the situation. The CND had not met again. It had adopted some very general resolutions, and it was not clear which decisions could be adopted. We decided to break off the dialogue to call attention to the fact that war was near, but not because of our own doing."

Subcommander Marcos then goes on to assess the country's current situation in which, according to him, social decomposition is giving way to new uncertainties.

Marcos Comments on Political Situation

PA3010022194 Mexico City LA JORNADA in Spanish 23 Oct 94 pp 1, 14

[Third of four installments by Hermann Bellinghausen on a series of interviews with Subcommander Marcos, leader of Mexico's Zapatist National Liberation Army, by unidentified reporters in the Lacandona Jungle, Chiapas State, on 20-23 October; the following is from an interview on 22 October—all quotation marks as published]

[FBIS Translated Text] Lacandona Jungle, Chiapas, 22 Oct—While accompanied by the reserved Commander Tacho, who must be having a rough time under his woolen ski mask this evening because it is very hot, even in the shade, Subcommander Marcos explains his analysis of the current national situation. As a representative of an almost suicidal armed group, unrelenting political commentator, and writer of merits which some question and others praise, a number of months ago Marcos won a position as a spokesman that several people believe should be theirs because they are more important, less "isolated," have better university credentials, or simply move in the acceptable margins of legality within this nation of kickbacks (and lately, very large kickbacks).

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Marcos says: During the past media offensive, we observed that more than having control, the government wants to pretend it is in control, can manage the situation, and knows what is going to happen.

"Appearance is what counts," it says, and this is how things will be handled when it talks about possible war scenarios that may occur some time in the future. The one who appears to have won is indeed the one that wins.

The government has not given the in-depth solutions that would have allowed it to stay in control, and, therefore, after the 1 January events came the events of 23 March [the day presidential candidate Luis Donaldo Colosio was murdered] and later Ruiz Massieu's murder on 28 September. The difficulty is that to be able to completely resolve the situation, the government party has to be liquidated. This is the only way to recover power. This is not possible, however, because the government's hunger for power is in its bones, and, in turn, all it can do is pretend. After it said that everything was well in December 1993, the government's biggest fib came on 21 August. Nevertheless, we have seen how after December 1993, the January, August, and September 1994 events transpired. I have just read some statements by Salinas that have left me shaking. He says the changeover in the government will be peaceful. This means something is going to happen at any moment, because he said the same thing when they killed Ruiz Massieu and Colosio. He said something worse in December 1993—namely, that the country was heading toward the First World.

"Instead of a military war, what we are watching is a war against the media, (not that bombs are thrown against them or that they are being attacked, but I would not dismiss that possibility either) especially over the control of the media. This is a Band-Aid that will come undone on them once again. Now in October, 1 December 1994 is farther away than it was on 1 January, when the 21 August elections still had not taken place. Right now, it looks like there is a possibility that there will be no 1 December. Moreover, this would not be caused by the EZLN [Zapatist National Liberation Army], social organizations, or the people's discontent with the electoral fraud. How is it that, despite the alleged validity of the elections, we are experiencing this crisis and that everybody is speculating on whether or not Zedillo will be able to take control of the government? How is it that after receiving 17 million votes, the elections are being questioned, while in 1988, with less votes, they were not? Now, when supposedly there is more legitimacy and support, there are more doubts. I believe several sectors in the government have started to become aware that it is an illusion that may not work. Ruiz Massieu's murder and the investigations that ensued in Tamaulipas, which apparently point in another direction, are a result of the shortcomings in the asserted legality of the 21 August elections."

Marcos is asked the following: The government's insistence in regionalizing and blaming the Indians for the Zapatist revolt elicits other problems and obstacles. For its part, the EZLN has emphasized the national character of its movement in recent communiques. What is the Zapatist outlook for the country, or at least what is Marcos' outlook, following the murder of the Institutional Revolutionary Party (PRI) secretary general?

Marcos replies: After May, we warned about the government's interest in legitimacy. In this sense, the truce was to allow the government to recover in the 21 August elections what it had lost on 6 July 1988. The stretch leading up to the elections, when it furthered and favored the National Democratic Convention [CND], was in keeping with its legitimacy program. According to the government, this program was completed after 21 August, and it can now make a decision on what to do with the Chiapas uprising. The pressure being placed on us via Madrazo is equal to the pressures from Camacho. They do not even accept it as an Indian problem and claim it is only a problem of the Chiapas Indians who have veritably suffered from a number of arbitrary actions that must be corrected.

"But, having all the elements to deactivate the conflict and leave the EZLN without any political arguments to continue its uprising, the government imposed Robledo and started to evict those people who seized land. It did this instead of giving priority to the negotiations and continuing with the talks. Meanwhile, the military movements become more aggressive. The PRI members got involved in an internal settling of accounts that did not allow them to take advantage of the legitimacy of the 21 August elections, and they opened the doors to the crisis currently being experienced within the government party.

"To say this another way, the groups that got the 17 million votes presented their bills to Salinas or Zedillo, and suddenly it seemed they did not have the political funds to pay them and that everything had to be reshuffled. For whatever the reason, Chiapas and the EZLN are important in terms of the PRI's internal settling of accounts, and, therefore, deactivating the conflict, as well as making it explode, serves one and the other. Some say the conflict should not be chained to Robledo's problem but included in the national solution of the agrarian and Indian problems by stopping them from worsening. Others insist on confining everything to local issues. They will only agree to social demands that are limited to the struggle of certain Indians while excluding political demands.

"This is why we have explained that neither peace nor war in Chiapas will be local. At this same time, along with the holding of the CND, the EZLN had contacts with other groups in the country—groups that were not convinced the 21 August elections followed the proper path, and groups that believe the armed struggle is necessary and that the EZLN has shown it is possible to advance it. The electoral results, as well as peaceful demonstrations, prompted frustration in the poorest

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sectors in the country. The defense of their vote and other large demonstrations are also likely to be thwarted, and they know the effort must now lean toward an armed struggle.

"The country's current image is one of considerable underground social upheaval. We know things are already jumping and that there are clashes with guerrillas in several states. The government, however, has been very careful and has handled these events as drug trafficking or criminal activities. According to our reports, there are guerrilla groups carrying out military actions at this very moment. The line that separates terrorism from the revolutionary struggle is very thin. It is determined by the enemy and his characteristics."

Therefore, according to this, governability is also related to appearances. In turn, we ask Marcos: What do the Zapatists think the PRI and its electoral victory represent or pretend to represent?

Marcos says: The PRI is wrong in betting that it can once again pretend it controls the country and feign that its permanence at the helm of the government means stability, wellbeing, and governability even if the party's realities show the opposite to be true. Everything happening now is what I recall they said would happen if Cardenas won. Cardenas should not be allowed to win, they said, because there would be disturbances and murders. However, the PRI won the elections, leaving its opponents far behind, and yet the things that were expected to happen if their opponents won have started to occur.

"The bet was that if Cardenas won, the period between 21 August and 1 December would destabilize the country and impede the transfer of power. They said: 'If 21 August turns out in favor of Cardenas, 1 December will never arrive.' However, 21 August turned out to be in favor of the PRI, and 1 December is still so very far away.

"The opposition's military or political actions were not sufficient to break the information blockade imposed on the entire country. We think the 21 August elections prompted frustration and immobility in certain social sectors, especially those closest to the media. With the lie that Mexicans are PRI followers and cannot change, neoliberal logic has reentered the scene once again, and everyone has gone back to what they were doing before—sitting on their hands and abandoning collective or long-term projects because the struggle for democracy in Mexico is utopic and unattainable.

"We did not realize that the same thing happened with the neediest sectors. Here, I am referring to the Indians, the landless peasants, and the farm workers. We still have to wait for the reaction of the labor sector regarding the 4 percent prize.

"The middle class sectors find in the television a mirror to reflect their frustrations and say, 'Well, that is how it is.' However, no one dares to think that the fraud per se was so blatant that it even questions Zedillo's victory. Sectors that were very radical before now simply concede there was fraud, but not to the extent of changing the results of the presidential election. It would only change the number of deputies and senators. At best, they conclude that is how it is—a gradual, slower process—and, in this way, those sectors show they are not ready for a long-term process, even if that is what is indeed required.

"Then, we can see two different Mexicos heading toward a democratic transition: the Mexico of the middle and lower classes, which are reportedly frustrated; and the very poor classes, which are reportedly turning their attention toward violent options and venturing into spontaneous movements or movements with a minimum amount of organization to keep going.

"We have to ask to what extent can this be directed to prevent it from becoming disorganized, Marcos wonders, and, answering himself, he says: Insofar as a leadership movement larger than the one that emerged in August can be organized (because to lead is to control, articulate, and guide). (We believe the CND is and will continue to be that movement, although it is involved in a wasteful process of settling internal accounts, which we dreaded from the beginning and which has kept it from its basic objectives. [no closing parenthesis as published] What we see at the national level, not only in the government but also in the progressive sectors, is the misconception of viewing Chiapas as a local problem, whether in peace or in war. They will make a mistake, and in a war situation, this mistake could involve a heavy social toll."

The alarming conclusions reached by the EZLN, which shook the country once on 1 January, led Marcos to the virtual certainty that for the many have-nots—regardless of the EZLN—armed opposition is gaining popularity. This conclusion is alarming.

As Zedillo's inauguration approaches, if a peaceful movement of civil resistance is not formed with people who believe in it and carry through on their convictions, the settlement of accounts via popular justice and the Fuente Ovejunas [reference to title of a 17th century Spanish drama in which townspeople overthrow and kill a local tyrant] that emerged all across the country this year—including those that are known and those that are denied to exist—will become increasingly more common, perhaps to the extent of becoming uncontrollable in military terms.

Marcos adds: "The government is not as interested in winning the war as much as it is in pretending it is winning and that it is in control of the country. If the government is able to pretend the current violent conflicts are not the result of political discontent, then it will score points, because the EZLN will turn out to be the only violent rebel movement born of political discontent, it will be limited to Chiapas, and it can be kept at

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bay or destroyed. Even if the government has a national problem in militarily terms, it will be able to tell the media that the matter has been resolved. The problem is that a disorganized national movement elicits very local criteria that could be used to justify military actions."

Dusk is falling and our interview continues. Our hands and recorders grow weary. The end of the interview coincides with a full moon, and the large blue canvas casts whimsical dark grey shadows.

Although it is not necessary, Subcommander Marcos asks for the discreet lighting system to be turned on. Amid the quiet semi-darkness, without any wind, the peaceful atmosphere contrasts with the strong statements made by the man in the black mask.

The "law of the jungle," Marco notes, is more rational than the PRI's law and order.

Because it is not too late, he goes on, and it is worth citing a quote from the Libro de Manuel I told you about: "Like a countdown, the slow march of numbers began to play on our nerves."

Marcos: People Want 'Peaceful Transition'

PA3010042494 Mexico City LA JORNADA in Spanish 24 Oct pp 1, 12, 14

[Last of four installmentss by Hermann Bellinghausen on a series of interviews with Subcommander Marcos, leader of Mexico's Zapatist National Liberation Army, by unidentified reporters in the Lacandona Jungle, Chiapas State, on 20-23 October; the following is from an interview on 23 October—all quotation marks as published]

[FBIS Translated Text] Lacandona Jungle, Chiapas, 23 Oct—According to Subcommander Marcos, the Zapatist National Liberation Army (EZLN) is determined to "infiltrate the country as much as possible, not to encourage everyone to take up arms, but to join in a struggle for liberty, democracy, and justice with the understanding that each and every person, in his own way, can contribute something, as long as it is part of a greater movement."

Contrary to other traditional guerrilla groups, Subcommander Marcos points out, the EZLN is "a political army." This is the reason why 10 months after launching an uprising; it has not resumed its belligerence and has instead established a dialogue or debate with the political parties, civilian organizations, citizens, and even the federal government.

In a wide-ranging assessment made in a quiet tent in Aguascalientes, the subcommander clearly states that he, as well as the Indigenous Revolutionary Clandestine Committee (CCRI), perceive the country is undergoing a crisis.

We ask the subcommander whether this crisis would be the same if the elections had favored Diego Fernandez de Cevallos, or Cuauhtemoc Cardenas.

He says: Yes, we have already said the crisis can only be overcome through a wide-ranging coalition government that would oversee the transition to democracy and be able to do this in a manner as least traumatic as possible. All of the situations we are now confronting stem from this ongoing instability. No one is sure who is running the country or who is making decisions. If at one time you could answer this by saying, obviously, it is the president of the republic, now it could be said that decisions are being made by the embassies of the countries north of the Rio Grande or maybe even by drug traffickers. The crisis also stems from an inability to govern. The situation would probably have been the same even if Cardenas or Fernandez de Cevallos had won. At any rate, the PRI [Institutional Revolutionary Party] was the only party that promised that what is currently taking place would never happen.

Marcos is asked: After 21 August, does the EZLN still believe in an election process as the path to a peaceful transition?

He says: We never had much faith in the election process, not under these conditions. When the EZLN took up arms, it was not demanding a clean election process but, rather, a transition government that would guarantee a clean election process. The elections must be organized again under new conditions—conditions of balance and equal access to the media. New rules of political relations are needed for a democratic game. Under these kinds of conditions, any party could win and the people would then view the need of an armed movement as unnecessary.

Noting that the EZLN decided to step aside during the elections, we ask Marcos: Are you now calling on the political parties to do the same?

He responds: We believe in the need for new political proposals, but our limitation lies in the fact that we have taken up arms and, in turn, are illegal. It is true that we represent one option, but the most radical option and a last resort. In addition, we are aware of our history, and we know that today many other options are being excised, except the one that leads to the armed struggle.

"We understood that we could not go against the people we claimed we defended. We have said we want democracy, justice, and liberty for all. Yet the people have said to us: 'We do not want war; we want a peaceful transition.' It was impossible for us to impose war. Well, we could, but it would be the same type of stupidity of which others are guilty, even though it would not be pointless from a military outlook. We say 'no' whenever we see this type of situation. We cannot just take off like that, or simply step aside and await the blows. If we interpret what is taking place in society, we must tell them everything is all right, that the effort is worthwhile, that

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we are willing to accept we made a mistake, that there is another road, and that other road is the convention.

"We thought of a new movement, not of proposing a seizure of power, permanence in power, or things like that. Instead, we thought of a new movement to make the change before the change—the approach needed just before the democratic movement. We said it had to be a broad, pluralistic, and democratic movement. It had to be a kind of front whose objective was to achieve such a transition. Later, if a party grows out of that front or if it becomes divided and dies, that is something else. This does not matter. This is why we said: 'We will step aside, but we are not leaving.' August has passed, and now we are in October and we see that the EZLN is growing as an alternative, not as one of moral prestige, but one that is growing in number. This is not good, because it means that the other path is closed, that the wings were cut off. In August we said: 'If the political parties offer a change, it is all right. Let us give them the chance.' But one can see that they could not do it. It is true that a broader movement is needed, and the armed struggle must be included in it. Now we are telling the political parties to get out of the way. Another organization must take the lead. I do not mean the EZLN but the National Democratic Convention [CND].

"I am going to cite an example: Right now, the area with the greatest civil and peaceful aura in the country is Chiapas, and it is because war is near at hand. This is not seen from afar. There is no other place in the country where the parties are as weak as they are in Chiapas. Here, the PAN [National Action Party], the PRD [Party of the Democratic Revolution], and the PT [Labor Party] are nonexistent. One fact should be stressed here: There are no mobilizations in which the parties are strong; where they are weak is where there are greater possibilities to avert a war. In other words, if the rest of the country is mobilized like in Chiapas, everyone would say: Why should I go to the mountains when I can exert pressure by seizing roads, without killing anybody? Here, these actions, without being that peaceful, do not reach the absurd extreme of war. This is how reality becomes evident.

"The problem is that a civilian society without a party has no discipline, no organization, and no continuity. It simply reacts to specific and limited problems. This is how political parties get the short end. Political parties only see things in the long-term; in other words, they want power. We believe this division within civilian, progressive society could be resolved and given a sense of direction within the CND. It could learn a new way of acting in order that nothing would be done unless people were first asked if they agree. It seems logical, but no one does it, and the CND, when it concluded on 9 August, did not do it either. This is when the EZLN reacted and asked the CND to look at those who are at the bottom. The world has to be turned upside down so that those who are at the bottom come out on top. This is how we were born as an organization. This is why Tacho was saying the other day: 'You are going to fight less because you are not clandestine; you are legal and you can grow faster.' Perhaps we are not mistaken in believing that the CND can organize those who have no party, and if all else fails, the political parties will come back saying: 'See, you need the cadres, the structure, the struggle for power, and the party platform."

Whether or not the Zapatists believe in the elections, the ballot boxes are still there, and soon there will be elections—elections that are expected to be very close in Tabasco, as well as municipal elections in Veracruz where the PRD is already the second largest political force.

We ask Subcommander Marcos: In view of the likelihood of a victory, recognized or not, of Andres Lopez Obrador in Tabasco, and in view of the evolution of the political contest for the Chiapas governorship, what is the EZLN's position?

His response: To influence the country as much as possible. Not in the sense that we all take up arms, but to influence in this struggle for liberty, democracy, and justice with the understanding that everyone can contribute something if it is part of a larger movement. We view this process of the building of forces from the following perspective: With each passing day things are moving more rapidly, and the EZLN is being asked by more sectors to pronounce itself, or to do something to make the slogan 'Everything for all, nothing for us' show through. It is already too late for the people to look forward to the Zapatist army to resolve things. Well, we will fall back and wait for the people in other places to assemble, most of all influenced by the frenzy expected in Guerrero, Puebla, Veracruz, and even Tabasco where the situation is very difficult. The PRI says all of the polls indicate it is going to sweep the elections. We are all aware of what that really means, and Tabasco is very close to Chiapas. So what are the people going to do? Just turn to Chiapas. This does not mean that they are going to turn to the EZLN but, instead, turn to the civilian resistance movement. We believe that everything is intensifying and that the EZLN leadership has a job to do, just as it has been doing in the past year and the past 10 months. The EZLN will have to do something so that the momentum it has built up so far is not lost. At this stage, the dialogue has broken off. We must see if it can be restarted, and it is precisely here where the committee will have to determine what the movement can do. What the committee has clearly pointed out is no to Robledo. Nothing can be done from that option, and everything indicates that the government is going to support Robledo up to the end.

We ask: What if they stick with Robledo until the end? Would that change the picture?

Marcos responds: Yes, definitely. But the committee is not going to wage a battle. The CND is in charge of national matters; we are referring to the CND. Now if the CND goes to hell, then we would have to evaluate the

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national situation according to our own judgment, just as we did in December 1993. But the committee has already said Chiapas is not up for discussion, and here the civilian population is indeed radical. They claim Avendano won and he is the one who must stay.

Making a pause, Subcommander Marcos gets off his chair and walks into the dark. Each person has his own way of taking a break before returning to a conversation.

Marcos is asked: Do you see any signs of a real expansion of the Chiapas civilian movement?

Marcos says: We would have to wait and see what will happen in Tabasco and Veracruz before we can talk about that. We also would have to wait and see what will happen with the movement that is calling for the annulment of the elections here.

"I see the attitude of the rest of the country is being abandoned, the attitude of viewing Chiapas as a Central American country with whom we must show our solidarity and to whom we must send our aid. We must look at Chiapas as part of the nation; we must look at it as we saw the Navista movement [Nava Political Party led by Manuel Nava Caldillo] with the expectation that it will spread. That is our hope. Veracruz and Tabasco could be an indication of that."

In terms of the Chiapas electoral conflict, we ask Marcos to outline the EZLN's position.

[Marcos] We are saying that Robledo cannot take office; only Amado Avendano Figueroa, who won the elections, can.

[Reporter] What about the CND?

[Marcos] What we discussed with the Committee is whether the CND understands that its permanence is long and that it must be ready for it. It has a good chance. If the CND does not become an organization arising from the situation, previously for 21 August and currently for 1 December, it can do it.

[Reporter] How does the EZLN see the social peasant movement in Chiapas?

[Marcos] Contrary to what is happening nationwide, here we do have an organized movement that supports the EZLN's demands, but not by taking up arms. The government in January thought that the CEOIC [State Council of Indian and Peasant Organizations] was going to become a beachhead for rebels and oppose the EZLN's social foundation, but that was not the case, because the government was unaware of what was going on in Chiapas. Throughout the year, the CEOIC, instead of losing credibility as the government hoped it would, became Zapatist. It became more homogeneous, gained more strength, purged itself before the CND, and arrived at the elections brandishing a plan to defend the vote and the civil insurrection.

The CEOIC, as the foremost civil force in Chiapas society, was able to survive the fraud, the nature of the fraud, and the resources used by the government. The CEOIC was there on 22 August, aware of what had happened, which is something that no national party did. The CEOIC convened in a loose manner at first and then carried out a plan of activities for civic groups under the CEOIC. It is here where we see a civic and peaceful Zapatism fighting for democracy, freedom, and justice. We see the possibility of making weapons unnecessary, although they maintained that this prosperity and this awakening exist, because there is an armed group."

[Reporter] But there already was an incipient Indian movement, not in Chiapas perhaps...

[Marcos] Yes, there was an Indian movement in Chiapas, but it was too fragmented. The main movements, from 1992 to date, were separate. On one side, there was the CIOAC [Independent Federation of Agricultural Workers and Peasants], and on the other, there were the OCEZ [Emiliano Zapata Peasant Organization], the UCI [Independent Peasant Union]...

[Reporter] Xi'Nich [as published]...

[Marcos] They split too often. A united and homogeneous movement is present in 1994, and organizations that never before had spoken to one another are now sitting together and making decisions.

[Reporter] Are they close enough to plot a war?

[Marcos] No, they believe they exist because there is an armed group, not an acting group, but an armed group nonetheless. This fact allows their people to prove that one thing or another is possible. If one fails, then there is something else. They do not want to annihilate the armed group; they want to make it unnecessary. In other words, they could freeze the war process for a long time, as long as the uproar is there. We witnessed this possibility during the September and October mobilizations. The foundations of that movement are Zapatist; they are not armed foundations, but their proposals are indeed Zapatist.

[Reporter] Referring to this, does the EZLN think a change has occurred since January?

[Marcos] Yes, we think that what has occurred justifies the blood we shed in January. At the regional level, what is happening has no precedent in history since the Spaniards arrived. Regardless of whether Robledo or Avendano remain, the fact is that the opposing front, meaning the cattlemen and businessmen, has yet to unite; it is constantly breaking apart, regrouping, and dispersing once again. Some value the cost of adopting a radical position while others want to negotiate. They have more problems organizing themselves than the Indians and the CEOIC, and this had never happened before. The division, lack of organization, and broken planning was a monopoly of those who had been fucked. They were insulted, imprisoned, and could not even

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reach an agreement to organize mobilizations, publish an ad, or report what was happening. Now the cattlemen have this problem. If land is taken over by squatters, the cattlemen wonder: "Do I get involved or not?" Part of the cattlemen are ready to negotiate, sell seized land, but others insist on the evictions. Large businessmen also have problems concerning small and medium- sized enterprises, because small and medium-sized businesses have suffered from a very oppressive fiscal policy. Therefore, they see an anti-government movement with sympathy. Not the armed one. No, they do not like it, but they like it when it opposes the government. They want the movement to offer things will be consulted, that there will be democracy and liberty. [sentence as published]

Marcos adds: "I exchanged letters with a small businessmen who told me that two months ago, prior to the convention, he and others were forced by thugs to close down and participate in a strike. They failed to reach an agreement with the Chamber of Commerce and they said they would eventually loose more in economic terms.

"The fact that the landowners' protest has been taken to Los Pinos at a time when the inauguration is near reveals some people's doubts that they are protesting for something worthwhile; there is no unity in the statements. A group of cattlemen staunchly supports Robledo while another group believes Robledo is ready to reach an agreement. I think they are quite divided. What keeps them united is the Federal Army's massive presence, as well as the illusion that the federal authorities will solve their problems.

"In fact, the existence of an almost ungovernable situation has been possible due to the Federal Army's presence and the truce, which the EZLN has respected. This is where we see a possibility for the civilian rebellion to derive into a pluralistic government, which establishes new political rules for a democratic struggle at much more civilized, less violent, less prehistoric levels than the ones that have always existed.

"What we say, with our Zapatist skepticism—with our naughty thoughts, as Tacho says—is that this will only be possible if a change occurs on a national level. We think we would be deceiving everyone if we tell them the situation in Chiapas can be resolved even if the rest of the country is in a turmoil. That is why we insist: It is a national problem."

For once, this corner in the Chiapas jungle has been benign and it has not rained. The night is clear and there is a moon. Pedro Infante [Mexican actor and singer] rightfully said: "The October moons are the best." Subcommander Marcos and Commander Tacho rise, say good night, and walk away followed by the rebels who had watched over them from the shadows. The lights in Aguascalientes go out but the night is still young.

Thirty Cubans Request Political Asylum

PA2910191194 Mexico City UNOMASUNO in Spanish 27 Oct 94 p 15

[Report by Fernando Carmona Cruz]

[FBIS Translated Text] San Luis Potosi, San Luis Potosi State, 26 Oct—Lost in this city, living in uncertainty, only with the confidence that the federal government will give them political asylum so they can stay in the country, 30 of the 147 Cubans who arrived in the state early on 9 October and who could become illegals in 12 more days have said "to live with Fidel in Cuba is to suffer God's punishment without having sinned."

Luisa Gonzalez, Jose Lopez Palacios, Zenen Lopez, and Gladys Batula formally requested political asylum through the media during a news conference so they can stay in Mexico permanently.

They said the Mexican Government should show solidarity not only with President Castro "but with all the Cuban people as well." They said they have not received any responses from human rights organizations, the governor's office, or the Migration Institute. They said in addition several of their companions have been arrested in Tampico and Tijuana since they set foot on Mexican territory. The same fate fell on others who have tried to enter the United States but who have been interned in refugee camps in Texas.

Reluctant to say who accepted them in their homes, although admitting they are families who have done so in solidarity with them, the Cubans said the problem they are experiencing is controlled by people too high up in the government. They added that some of their companions have been threatened by members of the Mexico City Migration Directorate. Finally, they did not rule out the possibility of being intimidated by Cuban authorities.

Governor Horacio Sanchez Unzueta has said in addition the Cubans are only in transit, because they are primarily interested in going to the United States to join their families. The state government sent food for several days to the Potosi Institute for Youth and Sports, where the Cubans were first lodged, but this assistance was suspended when the members of the group separated.

Roundup of Economic Developments

PA0111010894

[FBIS Editorial Report] The following is a compilation of reports on economic developments in Mexico monitored through 30 October.

Japan's Export-Import Bank has granted the National Finance Bank, Inc. (Nafin) a $200-million loan to control pollution in Valle de Mexico. Nafin will transfer funds in national currency or dollars through a Finance

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and Public Credit Secretariat program with the participation of the Metropolitan Committee for the Prevention and Control of Pollution in Valle de Mexico [Comision Metropolitana para la Prevencion y Control de la Contaminacion en el Valle de Mexico], the Federal District Department, Mexico State Government, Social Development Secretariat, Commerce and Industrial Development Secretariat, and Nafin. (Mexico City UNOMASUNO in Spanish 24 Oct 94 p 15)

Information from the Bank of Mexico (Banxico), National Bank of Mexico (Banamex), Economic Commission for Central America (ECLA), and private sector analysts say the balance of payments shows the economic plan's vulnerability and an increase in the risk of an eventual financial collapse. The information reveals that internal savings are down (from 12.8 percent in 1981 to 6.1 percent in 1992) and insufficient to finance the country's development. Therefore, the production sector's modernization will depend on foreign capital, but availability of external financing dropped 52 percent between 1993 ($13.715 billion) and 1994 ($6.588 billion). (Mexico City EL FINANCIERO in Spanish 24 Oct 94 p 4)

Commerce and Industrial Development Secretary Jaime Jose Serra Puche will address the National Foreign Commerce Convention closure and announce 3,070 new foreign trade projects totaling approximately $3 billion in investments. The document will be delivered to private representatives of the National Association of Mexican Importers and Exporters, National Foreign Trade Council [Consejo Nacional de Comercio Exterior], Mexican Business Council for International Affairs on 17 November, establishing the groundwork for Mexico's plans to diversify its foreign commerce in the near future. This will be done through the National Program for Internal Promotion [Programa Nacional de Promocion Interna], which will comprise representatives from Secofi, Bancomext (National Foreign Trade Bank of Mexico), Nafin, and the Mexican Investment Council. (Mexico City EL FINANCIERO in Spanish 24 Oct 94 p 30)

EL FINANCIERO's research of reports from the National Institute of Statistics and Information Science shows micro-businesses currently represent 92 percent of Mexico's industrial, commercial, and service sectors, compared with 89 percent in 1988. Meanwhile, the number of small enterprises in those sectors dropped from 10 percent in 1988 to 6 percent in 1993, and the number of medium-sized enterprises dropped from 2 percent in 1988 to 1 percent in 1993. The number of enterprises in the industrial sector rose 91.7 percent between 1988 and 1993 from 141,446 to 271,167. The number of enterprises in the machinery and equipment and textile industries also rose significantly to 47,706 and 44,528, respectively. However, a significant decline was noted in the metal processing industry, where a critical situation resulted in a 51.2 percent reduction. (Mexico City EL FINANCIERO (ANALISIS Supplement) in Spanish 24 Oct 94 p 3A)

The Banacci [expansion unknown] financial group has announced that the private sector's participation in the international market has decreased from 69 percent in 1993 to 39 percent in 1994. Meanwhile, the debt increased 153.6 percent to reach $16.4705 billion in September. The report indicates that 62.1 percent of this total corresponds to the public sector and 37.9 percent to the private sector. (Mexico City UNOMASUNO in Spanish 25 Oct 94 p 7)

Carlos Hernandez Renteria, director of the Western National Council of Foreign Commerce, today reported Jalisco's exports in 1994, which totaled $883.2 million, increased 15 percent over the same period in 1993. He added that national exports rose 22 percent. The council said this increase was made possible because of NAFTA, and it admitted that 47 percent of the sales were made by electric and electronic enterprises that exported products worth $885.1 million. (Mexico City NOTIMEX in Spanish 2107 GMT 25 Oct 94)

A 26 October, Mexico City-datelined item reports that state-owned Mexican Petroleum (Pemex) reported on 26 October a surplus of $72.5 million in the trade balance of its petrochemical products between January and August. The report indicates Pemex exported 1,055,000 tons of products, worth $165.1 million, which represents a 37.2-percent increase in comparison to the same period in 1993. (Paris AFP in Spanish 2231 GMT 26 Oct 94)

A 26 October, Mexico City-datelined item cites a Pemex communique stating that 495,300 barrels of gasoline have been sold per day in 1994, 276,800 barrels of Nova gasoline and 218,500 barrels of Magna Sin (unleaded) gasoline. The report states Magna Sin gasoline sales increased 70.4 percent compared to the same period in 1993, adding they represent 44.1 percent of gasoline sales throughout the country, whereas Nova gasoline sales decline. (Mexico City NOTIMEX in Spanish 0300 GMT 26 Oct 94)

Mexico is fully promoting free trade, a process that is oftentimes complicated and painful for certain industrialists. During the last six-year presidential term, Mexico signed seven trade agreements, including NAFTA. Ten months after NAFTA came into effect, Mexican industries have strengthened, following a painful, yet necessary adjustment process that has compelled them to be more efficient. Trade with the United States and Canada grew by 17 percent and 33.3 percent, respectively, during the first half of 1994. The Mexican trade deficit increased by more than 27 percent during the same period, however, totaling approximately $18 billion. In addition, businessmen believe that NAFTA is generating more trade and that foreign investments reached an unforeseen level. (Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 26 Oct 94)

Fernando Sanchez Ugarte, under secretary at the Commerce and Industrial Development Secretariat, has reported that approximately 300 new factories opened in only three months and that the manufacturing, iron and

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steel, chemical, cement, and glass industries increased the most during the last quarter. Sanchez has said that as the current administration comes to an end, we have created the foundations for industries to become more competitive at the international level. (Mexico City LA JORNADA in Spanish 27 Oct 94 p 51)

The Pemex foreign debt increased by $1.768 billion in the last four years; it went from $5.832 billion in 1990 to $7.600 billion in late 1994, a 30-percent increase. Meanwhile, oil reserves dropped by 1.934 billion barrels, going from 66.450 to 64.516 billion barrels during the same four-year period. Pemex officials have reported the state-owned company issued $10 billion in bonds during the 1990-1994 period. Pemex's assets, which amount to 153 billion new pesos, as well as $850 million in proven oil reserves, allowed the company to issue bonds abroad, thus consolidating Pemex's leadership in Latin America. Moreover, Pemex issued $250 million in bonds in the United States and $366 million in futures. (Mexico City UNOMASUNO in Spanish 27 Oct 94 p 19)

Pemex's petrochemical division generated a $72.5-million surplus during the January-August 1994 period. It exported 1.055 million tons of petrochemicals, which yielded $165.6 million in revenues for the country, and imported $92.6 million worth of petrochemical products. These figures represent a 37.2-percent increase in volume of exports as compared to the same period in 1993. (Mexico City UNOMASUNO in Spanish 27 Oct 94 p 19)

According to figures from the Agriculture and Hydraulic Resources Secretariat, the production of 10 basic grains amounted to 11.3 million tons during the first seven months of 1994, a 19-percent increase compared to the same period in 1993. Corn and beans increased by 22.9 percent and 4 percent, respectively, during that period. It is worth mentioning that corn has increased at an average annual rate of 41.9 percent during the last four years, while beans increased at an average annual rate of 15.9 percent during the same period. Wheat production grew by 13.6 percent during the January-July 1994 period, as compared to the same period in 1993. In addition, Sinaloa, Tamaulipas, and Sonora States grow the most corn. (Monterrey EL NORTE (Foreign Edition) in Spanish 27 Oct 94 p A-36)

Banxico (Banco de Mexico) has reported that approximately $6.896 billion left the country during the first half of 1994, causing an 80-percent drop in international reserves during the same period. It has also reported that foreign investments and debt contracting failed to cover the balance of payments deficit during the January-June 1994 period. Moreover, Mexicans deposited $2.116 billion in foreign banks, a 416-percent increase as compared to foreign deposits made during the first half of 1993, and although direct foreign investments grew by 30 percent during the first half of 1994, overall foreign investments dropped by $2.3159 billion during the same period, a 15.7-percent drop as compared to the same period the previous year. Banxico has also reported that foreign investments on the Mexican Securities Exchange dropped by 34 percent during the same period, amounting to $9.918 billion. Meanwhile, foreign debt interest payments amounted to $5.895 billion during the first half of 1994, an 18.6-percent increase in comparison to the same period in 1993. Finally, Banxico spent $1.760 billion during the same period this year, causing its reserves to drop by 20 percent. (Mexico City LA JORNADA in Spanish 28 Oct 94 p 55)

According to a 28 October, Washington-datelined report, the World Bank announced today the approval of a $265-million loan for Mexico to finance the national teaching and technical training modernization program. The Mexican Government will contribute with $118.3 million, and the beneficiaries will contribute with $28.7 million to finance this program, which will benefit 200,000 Mexican workers and will cost $412 million. The World Bank loan was granted to the National Financial Bank, Inc. and is payable in 15 years with a five-year grace period and a fluctuating interest rate, which is estimated at 7.1 percent annually. (Mexico City NOTIMEX in Spanish 1532 GMT 28 Oct 94)

Following a long financial crisis triggered by large expired portfolios and the lack of capital, Banco Obrero went to the Savings Protection Banking Fund (Fondo Bancario de Proteccion al Ahorro—Fobaproa) to request a 300-million new peso loan. Banco Obrero made this announcement as its director general, Francisco Suarez, resigned. Banco Obrero's expired portfolio amounts to 434 million new pesos, and its profits amounted to 23.5 million new pesos as of late September 1994. In addition, Banco Obrero has 200 million new pesos worth of assets. (Mexico City UNOMASUNO in Spanish 28 Oct 94 pp 1, 17)

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Guatemala

URNG Statement Supports Indian Rights, Multicultural Society

PA2910151994 Guatemala City PRENSA LIBRE in Spanish 26 Oct 94 p 82

[Statement by the General Command of the Guatemalan National Revolutionary Unity, URNG, issued on 25 October; place not given: "The Guatemala of the Future Will Be Unified, Multicultural, and Multilingual"]

[FBIS Translated Text] The identity and rights of the Indian people constitute a fundamental topic in the process of negotiations between the government-army and the URNG. Resolving the issue represents an essential premise for peace from every standpoint and an indispensable condition for true democracy in Guatemala.

Establishing the bases for an objective solution to this topic constitutes for Guatemalans a challenge historic in nature and one of the fundamental causes of the armed conflict in a strict sense.

The agreements reached on the topic must serve as the initial basis for the start of a new era in which the identity of Mayans, Guatemalan's earliest settlers, and the majority of the current population are recognized so they can enjoy, for the first time, all the rights seized from them and systematically denied throughout a history beginning with the conquest.

Guatemala Mayans in this era must be the direct protagonists of the constitutional and institutional transformations of every kind that may be necessary to guarantee their identity and the enjoyment of the rights that were denied to them. That way, the solution to this very important topic will historically allow the Guatemalan peoples to close the wound of the conquest and colonial rule. It will make it possible to repair the harm caused by the Liberal Reform of 1871, which was implemented behind the backs of Guatemala Mayans and violently stripped them of their communal lands and subjected them to forced labor. The ground was paved in this fashion for coffee cultivation based on large farms and landholdings.

This solution allows one to see in its proper prospective how the intervention and counterrevolution of 1954, as well as the subsequent military governments, submitted these people to even more alienation, discrimination, and exploitation.

One episode that most profoundly wounded Guatemalan society in recent times is the scorched earth policy the army implemented with viciousness and cruelty during the early 1980's. From the URNG standpoint, the backdrop for this undeniable and extensively documented episode is a racist culture inherited from the conquest and colonial rule that still exists, even in the so-called republican era. Spaniards and their descendants seized lands belonging to Mayans, the earliest settlers. That injustice has been historically present in the country's economic and social structure.

The history of Guatemala is to a great extent one of expropriation, oppression, and abandonment of the Mayan people, of the denial of their culture and rights. It is also one of the historic roots for the modern revolutionary struggle in Guatemala and one of the fountainheads of their resistance and strength.

The internal strength and capability to resist, which the Mayan people historically demonstrated throughout history, have not only allowed them to survive and spread locally and regionally but also to adapt to the changes they have had to endure during five centuries of colonization and domination. That undeniably admirable and respectable capability has shaped the sense of identity of the modern-day Mayan people and their potential to project themselves in historic terms toward the future.

The identity of the Mayan people of Guatemala comprises a set of social, cultural, historic, and spiritual factors that survived with unusual vigor, and which is spreading and growing stronger. To be true Mayans and descendants of the old Mayans and to possess a collective memory of history, our own culture, languages that stem from a common origin, our own systems of family, communal, and social organizations, our scale of values and characteristic artistic expressions, our own scientific and technological legacy and spirituality—a union of science, philosophy, and politics—shape the vision of the universe, the world, and life that provide a vigorous and uniquely Mayan identity to the Mayan people.

The future of Guatemala entails vindicating that heritage, recognizing its full validity, and boosting the development of its human and spiritual possibilities so that it may flourish and make its contribution by enriching the future outlook of the Guatemalan nation.

The goal is to promote a reemergence and build a truly united nation of Indians and Ladinos, of men and women, of Guatemalans.

This reason is why one of the main issues that must be settled is the definition of nation, a nation of national unity that is pluri-cultural and multilingual, consisting of Mayans, Ladinos, Garifunas, and Xincas, as well as its corresponding state that will leave behind the idea of a centralized state that is exclusionary and racist, a state that ignores the diversity and cultural and linguistic wealth of the nation, and the diverse cosmo-vision of its inhabitants. It is necessary to recognize that true pluralism is based on differences, on political, ethnic, and cultural diversity.

The framework agreement of 10 January established that it is essential in discussing the main issues to include the input of the Civilian Society Assembly, ASC.

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The ASC, with the active participation of Mayan organizations, has worked intensively on the issues of identity and rights of the Indian peoples and produced a consensus document that should be among the main bases and sources for the discussion and solution of this important issue.

The URNG believes the issues of the identity and rights of Indian peoples are among the cornerstones of the process of building a genuine, functional, and participative democracy with social justice in Guatemala. We are convinced an adequate solution to this national issue will lead to the establishment of the bases for the elimination of discrimination in its most varied expressions and will bring us closer to building a Guatemalan nation within the framework of national unity.

We are facing the inconcealable burden of history. We cannot deal with this point vaguely and ambiguously or through a superficial or situational negotiation. The goal is to establish the minimum essential bases for the future of the Guatemalan people in general and to pay attention to and reflect their legitimate rights for the first time in history.

It is a verifiable reality that most of the Guatemalan population, about 65 percent, is of Mayan origin. It is also a fact that this population as a whole has its own identity, but its basic rights have been trampled. They are not allowed to have their own cosmo-vision. The legitimacy of their justice system that has been applied from time immemorial by their communities has been denied. The various Indian languages existing in the country have not been officially recognized. The exercise of their own spirituality has been restricted, and they are racially and culturally discriminated against.

The fact that the state was established without acknowledging this social and cultural reality constitutes a violation of Indian rights. Those rights are also violated when the ruling hierarchy views Indians only as part of national folklore and establishes restrictions on their local authorities. Above all, the Mayan, Garifuna, and Xinca peoples have been denied most economic, social, political, and cultural rights.

For these reasons, the URNG believes that to establish the minimal essential bases to ensure that the rights and identity of Indians are respected in 21st century Guatemala, it is a must to discuss and get to the root of problems with full political, economic, and social objectivity while overcoming paternalism, without ignoring history. We make this statement categorically, and in doing so we aspire to represent the Mayan people's demands.

We are fully convinced we will only be able to establish the bases of this great historic process through short-, mid-, and long-term goals. The protagonists of this prodigious feat should be all peoples of the current unjust, unequal, and discriminatory Guatemalan society who have the right to be what they are: irreplaceable and historic parts of the pluri-cultural and multilingual Guatemalan national unity.

General Command of the URNG
25 October 1994

Honduras

Honduras Prepares To Send 'Symbolic' Military Contingent to Haiti

PA3110223694 Paris AFP in Spanish 2027 GMT 31 Oct 94

[FBIS Translated Text] Tegucigalpa, 31 Oct (AFP)—Honduras is prepared to send approximately 100 soldiers to Haiti to support the reestablishment of order after the return to power of constitutional President Jean-Bertrand Aristide, Honduran Foreign Minister Ernesto Paz Aguilar announced today.

"A symbolic contingent of observers will go. There will be no more than 100 soldiers, and basically they are specialists in logistics, communications, medical services, and paramedicals," the official said.

Paz Aguilar confirmed Aristide will visit Honduras and Argentina, at an unspecified date, to offer personal thanks for the help these nations offered during the conflict the nation experienced. The conflict was resolved by mid-October, following negotiations between the Haitian military and a U.S. delegation, led by former President Jimmy Carter.

Honduras had stated to the United Nations its willingness to send soldiers during the second phase of the process to restore Haitian democracy, which was interrupted by three years of military rule.

In addition, the Honduran Government had agreed to receive approximately 5,000 Haitian refugees who had fled from the former military regime, but this action was not necessary once the crisis was overcome.

Paz Aguilar said Honduras was chosen to participate, given these offers, in the second phase of the process to restore democracy in Haiti although the date to send the military contingent "depends on the Haitian Government."

Nicaragua

Assembly Passes Labor Code; Partial Veto by Chamorro Rumored

PA3010172794 Managua EL NUEVO DIARIO in Spanish 29 Oct 94 pp 1, 2

[Report by Edgard Barberena S.]

[FBIS Translated Excerpt] The National Assembly has approved the 393 articles of the new Labor Code, the drafting of which took almost two years of effort and consultation as well as nine months of work by the

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Assembly. Nevertheless, rumors circulating in the Assembly hallways indicate that the executive branch could partially veto the code.

The most controversial articles were approved this Friday before 1400. After the legislators voted, a computer screen showed 47 votes in favor and the abstention of Deputies Nicolas Bolanos, Guillermo Chavarria, Hernaldo Gonzalez, Luis Sanchez, Nardo Sequeira, Jose Enrique Siles, and Magdalena Ubeda.

When questioned by reporters, Deputy Labor Minister Mario Garache gave some indications that President Violeta Chamorro plans to strike down the new labor legislation with a partial veto.

An official press bulletin from the National Assembly reports that the deputy minister said that the fact that Labor Ministry representatives participated in the commissions' work does not mean that the ministry is in full agreement with the code. He added that the ministry will in due time express its reservations by means of a veto that will be presented to the National Assembly.

Garache would not tell reporters what reservations Labor Minister Francisco Rosales has regarding the new Labor Code but noted that when the minister signed the document containing the last 100 articles, "he said he was doing so with reservations." The document was endorsed by various sectors.

Garache's statements indicate that when President Chamorro's veto becomes effective, the deputies will have to again discuss some aspects of the new Labor Code, and "I don't think there will be too many problems," he said. [passage omitted]

Humberto Ortega Visits Spain

PA2810152394 Managua Radio Nicaragua Network in Spanish 1200 GMT 25 Oct 94

[From the "News 2000" newscast]

[FBIS Translated Text] Army General Humberto Ortega Saavedra, chief of the Sandinist Peoples Army, is on an official visit to Spain. He was received by Lieutenant General Jose Rodrigo Rodrigo, chief of the defense staff, who is also chief of the Spanish Armed Forces uniformed services.

Yesterday Gen. Humberto Ortega met with Spanish Defense Minister Julian Garcia Vargas. He also received military decorations at the Defense Ministry Staff Office.

Today, Spanish Prime Minister President Felipe Gonzalez is scheduled to receive Gen. Ortega Saavedra at La Mancha Palace. Later today he will visit the different units of the Spanish Navy, based along the Mediterranean Sea.

Panama

Cubans Stage Incident at Camp; Military Guard Increased

PA0111011494 Panama City Circuito RPC Television in Spanish 2300 GMT 31 Oct 94

[From the "RPC Television News" newscast]

[FBIS Translated Text] The Cubans staged disturbances this past weekend at the Empire Range camp. [Crowd is shown shouting "Freedom, freedom, freedom!"]

A serious incident took place at Camp No. 3 at Empire Range when dozens of Cubans demanding freedom protested to such an extent that there was a riot.

The Cuban rafters, quite anguished, asked for an opportunity to leave Empire Range Camp. They held up posters reading: Operation Safe Heaven means prison.

[Begin recording] [Unidentified Southern Command spokesman] Another incident took place at Camp No. 3 yesterday. A riot took place due to a misunderstanding in the scheduling of the provision of cigarettes. As a result of this incident, five U.S. soldiers and three Cubans were slightly wounded.

[First unidentified Cuban speaker] We are in a concentration camp. This place has nothing to do with what we are seeking in real life. We are seeking freedom. What we have found are prisons, jails.

[Second unidentified Cuban speaker] They feed us, give us things that are vital for any person. Nevertheless, in the search for the freedom we so desire, freedom which none of our generation has had, for which we seek, yearn for, this American government is paying us in this manner. [end recording]

Meanwhile Oswaldo Velasquez, president of the Panamanian Human Rights Committee, has made a tour of the Empire Range camps, saying they are well treated. The problem is the despair among the Cuban rafters, who have been repressed all their lives by Fidel Castro's communist regime. They want to gain their freedom no matter what now that they see freedom near, just in case anything should occur. The truth of the matter is that the Cubans' protests and escapes from the camps are more and more frequent; therefore, the Southern Command has stepped up its surveillance around the Empire Range camps.

Rafters Charge Mistreatment at Guantanamo

PA3110205494 Panama City LA PRENSA in Spanish 31 Oct 94 p 4A

[Report by Manuel Alvarez Cedeno]

[FBIS Translated Text] Many of the rafters who have arrived in Panama from the Guantanamo U.S. Naval Base in Cuba have testified that the U.S. military

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harassed and mistreated them with constant "blows, kicks, and lock-ups," apparently to get them to return to Cuba.

Physical and psychological mistreatment took place day and night. Even children and pregnant women were struck and pushed by soldiers, who acted wild, according to testimony given to LA PRENSA at Camp No. 4 in Panama.

In fact, one female rafter nearly died from a heart attack following a beating [tunda] by eight Marines after she protested that several children and two pregnant Cubans were handcuffed.

As far as Armando Caro, from Camp No. 4, is concerned, "we are trapped between Castro and Bill Clinton's policies," because the U.S. President encouraged us to leave the island and then "brought us to a jail—a jail in which we experienced hardships at Guantanamo because of mistreatment and in Panama because of a lack of freedom."

Caro gave assurances that at Guantanamo the "Marines are worse than Chilean dictator Augusto Pinochet's carabineros, beating us from all sides."

Apparently, the overcrowding at Guantanamo is combined with iron-clad military discipline which, according to the rafters, borders on a violation of the Cubans' human rights, and this is being done whether there are behavioral problems or not.

To this situation one must add the language problem, because the rafters do not speak English and the soldiers speak no Spanish.

Jose Luis Montejo describes the situation this way: "terrible strikes and blows."

He said: "The Marines entered the tents and said they would not harm us, but they added, if we find you outside, we will consider you an enemy. If someone was outside, he was met with strikes and blows—terrible blows."

Montejo said treatment there "was terrible because everything was a threat. They would not give you cigarettes; instead, they would make you work for one."

Rafters in Guantanamo and Panama are demanding visas from the Clinton administration to travel to the United States. The New York agreements, between Cuba and the United States, however, establish that to obtain a visa the Cubans must first return to Havana, which in no way do they want to do.

OBO Member Charges Humiliation

PA3110205694 Panama City LA PRENSA in Spanish 31 Oct 94 p 1A

[FBIS Translated Text] Lazaro Castillero, an activist with the Rafters Opposition Organization (OBO), says U.S. Marines would "take advantage of our patience to coerce us" into returning to Cuba. Everything indicates that they were attempting to "undermine our resolve through physical and psychological mistreatment," he added.

Castillero stressed that on certain occasions "Marines would even prefer to throw away food rather than give it to us. We did not leave the island simply to receive a plate of food, but this was intended to humiliate us and to encourage us to return to Cuba."

All of this took place during the first week of September. Pablo Lazaro recalls that he was collecting some tap water (at Guantanamo, water cannot be wasted) when several Marines asked him to come with them and handcuffed him "very tighly." Even today he still has some handcuff marks.

Castillero was put on a truck along with 20 other rafters who were packed close together. Later, they were taken off the truck and thrown to the ground. He did not resist, which may be why he was not beaten.

Nevertheless, Castillero stressed that the soldiers "would shout and beat us. One of the rafters even was blinded because of an attack."

Castillero said: "They humiliated us. The soldiers would step firmly on our heads with their boots, and they would shove us to the ground."

The rafters maintain that the situation in Guantanamo has not improved and that abuses are continuing.

Rafters Feel 'Mocked'

PA3110220494 Panama City LA PRENSA in Spanish 31 Oct 94 p 4A

[FBIS Translated Text] Stories overlap one another in the rafter camps in Panama and Guantanamo. Arriving rafters say mistreatment occurs everywhere.

It has been said that those living in Panama have everything: three meals a day, playing fields, schools, concerts, telephones, cable television, and newspapers, as well as a wire fence that surrounds the nine hectares of each camp. Along with this, they also have a scorching sun that burns the hell out of them during the day and an intense cold that freezes their bones at night.

They have everything, except something that might appear insignificant to those who have it or, perhaps, even have some to spare. Rafters indeed have hope to spare, as well as the will to keep on struggling, although annoyance and frustration sometimes threaten to overcome them. Regardless of their reasons for leaving Cuba, the rafters have courage to spare when it comes to hurling themselves against a treacherous and stormy sea.

Nevertheless, they lack freedom—the freedom the U.S. Administration one way or another sold them on each and every day to encourage them to rebel against Castro. They feel they have been deceived and mocked—

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mocked by both Castro and Clinton, who has been caught "in his own trap." They say Clinton is even "more treacherous" than the sea.

It could be said that they are better off here than in a raft in the middle of the sea, but many would opt for the raft and the sea rather than the confinement and uncertainty of a camp in Panama or Guantanamo.

Gema Castanedo, 43, one day boarded her raft, threw herself against the sea, and ended up in Guantanamo against her will because she wanted to go to Miami. She arrived in Panama on 27 October, but this is what she said she left behind at Guantanamo: "I will never forget it. What I saw at the Victor camp still tears my heart apart." She says she saw a 60-year-old man go out for a stroll. Suddenly, several Marines arrested him in a violent manner. She did not say whether the man was causing trouble or if he was acting badly. But she will never forget that the Marines "handcuffed him and threw him to the ground, where he stayed for more than two hours under the sun, eating grass, while they even stepped on his head." For her, this was "immoral." She said: "We, the witnessing rafters who longed for freedom were partially responsible for permitting this to happen."

President Welcomes IDB Official, Loan Accords

PA2910010294 Panama City Circuito RPC Radio in Spanish 1455 GMT 25 Oct 94

[Speech by President Ernesto Perez Balladares from the Yellow Room of the Palace of the Herons in Panama City—live]

[FBIS Translated Text] [Words indistinct] Enrique Iglesias and his distinguished collaborators; Mrs. President of the assembly; Mr. Vice President of the assembly; Messrs. Vice Presidents and Ministers; my friends:

You are not always fortunate enough to see a visit that is significant to the country's development coincide with changes designed to achieve great improvements in society—in this case, an improvement in the life of all Panamanians. Indeed, my government has recently been installed. It has prepared a program that clearly and categorically strives to put the Republic of Panama on the road toward development—a road demanded by nations that face a constantly changing and increasingly competitive world. This is an obligation of any nation that wants to avoid lagging behind in progress and advancement.

The Inter-American Development Bank [IDB], the organization you lead so enthusiastically and carefully, has always maintained close and fruitful cooperation with Panama. In my opinion, as well as in the opinion of all my advisers, this relationship should not simply continue, but, from now on, we hope it will become a much more advantageous relationship. Panama must thank the IDB, because many of the goals the nation has managed to achieve as a society in the areas of education, public health, electricity, and many industrial sectors were born precisely out of the financial aid it generously received from this body—the international credit organization Mr. Enrique has aptly called the bank of all Latin Americans, particularly the Panamanians.

Now you, meaning the IDB, and we, meaning Panama, to meet the challenges that all nations face, must witness a moment in history in which we are compelled to adjust many previously established priorities, because this is demanded by a complex world that is quite different from the one we knew a few decades ago. In this ceremony we are attending the signing of two important agreements for the development and future of Panama. One of them deals with the exploitation of our mineral resources which have yet to be exploited and which are of incalculable wealth. Referring to the loan that was signed today and is destined for the formulation of a master plan in the mining sector, an extremely important step is being taken to achieve our country's welfare and progress.

With the other loan, which was also signed today, we are taking steps in the proper direction to improve the living conditions of our people in general, particularly the most needy people. In the near future I expect to achieve—and I know this will happen with the valuable assistance of the IDB—the goals that will allow Panama to attain the scientific and technological progress which guarantees the modernization and reconversion of various industrial sectors and which will enable us to successfully become part of the international economy.

Please accept, dear friend Enrique Iglesias, our most cordial and enthusiastic welcome. We know your presence in our land—and, through you, that of the IDB, which you represent in such a dignified manner—will only represent good things for all Panamanians. I am certain we will soon have you here for a longer visit, with a bit more time, and this will give us the great pleasure of showing you many of the things we hope to improve for the welfare of all Panamanians with the help of the organization you lead. Thank you, very much. [applause]

Industrialists Criticize Government Economic Plan

PA3010163994 Panama City EL PANAMA AMERICA in Spanish 29 Oct 94 p B4

[Report by Viodelda Barrios—quotations marks as published]

[FBIS Translated Text] During a recent meeting of the economic cabinet and representatives of the country's producers, the Association of Panamanian Industrialists [SIP] described the economic program as "the tragedy of a pre-announced crisis.

At the event, which was organized by the Panamanian Association of Business Executives (APEDE), Guillermo Chapman, minister of planning and economic policy, stressed that the current economic plan is different from

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the "Ford Plan" or the "Barletta Plan" because it has four critical features not included in the previous economic programs.

The first feature, Chapman explained, is the need to cut the high poverty rate, which affects 50 percent. [sentence as published] The second feature is that it is an overall document that encompasses all critical areas to ensure economic and social development.

The third feature of the plan is the need to adjust the size of all public sector operations to make them more efficient. With respect to the business sector, it entails cutting tax exemptions that merely cause market distortions. Regarding the labor sector, this means introducing adjustments that will promote efficiency.

Finally, there is the global feature which, contrary to traditional sectorial principles, proposes general guidelines so each sector can count on the incentives necessary to encourage initiatives that will ensure the country's development. Chapman indicated that the document was prepared by Panamanians and does not respond to demands from the international financial institutions.

Nevertheless, the SIP, through its spokesman Ricardo Endara, stated strongly that the document "does not include any chapter or section related to industrial policies except a reference to distortions caused by exemptions and tariff protection."

Endara described the government's proposal as "the tragedy of the crisis predicted for his association," because the industrial sector will have to bear "the unfair and inaccurate stigma of being an exemption."

He remarked that a 1985 study by the Ministry of Commerce and Industries concluded that for each dollar exempted, the industrial sector contributed five dollars to the government's current account.

The SIP spokesman proclaimed that by using the formula recommended by the government, which includes eliminating exemptions and lowering customs tariffs, foreign investments will indeed arrive but some local industries will disappear. "We will be taking away from Panamanians to give to foreigners," Endara stated.

In addition, he added that "in this model handicrafts sector, the small and intermediate establishments that have been hailed for so long as the solution will wind up swelling the number of unemployed who will be calling on the government for jobs. [sentence as published]

He indicated that the real reason for eliminating exemptions and other protections is to erase budget imbalances, as well as the measures to unravel the fiscal problem which the government needs to solve.

With respect to improving the resource allocation problem, Endara recommended introducing a taxation system that would tax consumption, not savings, and which would deter such a high level of tax evasion.

He also called for a halt to migration trends from the rural to the urban area, which he described as one of the main reasons for the country's social, economic, and ecological problems. In addition, he called for laws that will encourage reforestation and support for the recently created Tourism Bill.

Endara added that "the document has valid points, but a half-truth is still a lie. Regardless of how often we repeat the half-truth, it may be believed, but it will never be the truth."

The SIP representative concluded by saying that if the impact on the economy of such measures is not done properly, "it is possible that tomorrow we may end up with social chaos, the consequences of which are too difficult to predict. It will affect not only the industrial sector but also the agriculture and ranching sector, and even the commercial and services sector.

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Argentina

Menem Denies 'Serious Problem' With Economic Plan

PY0111104894 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1521 GMT 31 Oct 94

[FBIS Translated Text] Buenos Aires, 31 Oct (NA)—President Carlos Menem said today that the economic plan is not affected by "any serious problem." The president admitted, however, that the social security system has a deficit, but "it is compensated for by the fiscal surplus."

Menem said: "After five years of resounding success in the political and economic areas, we will have some shaking, some inconveniences, but they will be quickly overcome."

The president said we have a deficit of $600 million pesos as a result of court decisions banning pension ceilings as unconstitutional, which "has resulted in the payment of amounts no one expected to pay."

Menem added that another cause of the problem was "the transfer of funds to private systems" [al sistema de enganche], adding that his "is the only government that (?pays back) 82 percent."

Menem told Radio La 9.90 that "nearly 0.3 percent of all pensioners, that is, 17,000 individuals, will collect between 5,000 and 6,000 pesos per month" if the court finally rules in their favor, adding that "we will use all legal resources available to try to avoid that from happening."

With respect to the Malvinas Islands, Menem said that Argentina will continue "making itself heard at all international forums with a continuous request for the return of the islands."

The president said there are "several alternatives," including the purchase of the islands by paying compensation to the islanders. The president ruled out, however, the figures mentioned in the press because they were too high.

In any case, he admitted, it is "a possibility," recalling the case of Alaska, which was purchased by the United States from Russia. Menem then reiterated his prediction that "the Malvinas Islands will be in Argentina's hands by the year 2000."

Regarding the three Chilean journalists who reported being scared in Mendoza on 28 October, Menem said "the case is being investigated and police are making composites" to identify those responsible.

Regarding his recommendation to make golf popular, he said he hoped "all those who want to play can play, adding that if possible, we should create a foundation to help those who want to play but cannot do so."

The president concluded by denying there was any unrest in the Navy because the Senate refused to promote Frigate Captains Antonio Pernias and Juan Carlos Rolon.

Fiscal Imbalances Causing 'Uncertainty' Among Investors

PY3110205394 Madrid EFE in Spanish 1517 GMT 27 Oct 94

[FBIS Translated Text] Buenos Aires, 27 Oct (EFE)—Experts stressed today that the fear of Argentine fiscal account imbalances is causing growing uncertainty among investors and affecting the financial and stock markets.

The uncertainty is caused by a trend of decreasing tax collections and growing Treasury needs, coinciding with the government decision to declire new IMF loans.

The stock market has experienced a cumulative loss of 5.4 percent during the week, while public bonds dropped between 4 and 7 percent.

The Central Bank has sold $160 million from its reserves to satisfy the demands of the financial market in the past three days.

The dollar demand forced the Central Bank to sell some $500 million during the past month, a fact considered a sign of uncertainty.

The fiscal account surplus dropped substantially during the third quarter—$13 million—compared to the $1.924 billion surplus during the second quarter.

September revenues dropped by 3.4 percent compared to the same month in 1993, which marks a declining trend in the past few months.

Economy Minister Domingo Cavallo will go to the Chamber of Deputies on 1 November to request authorization for additional spending of some $1.5 billion to cover the deficit in the social security system until the end of the year.

Cavallo said "what matters is the permanent fiscal balance and not a transitory imbalance," which in his opinion was caused by the recent creation of a private pension system that has reduced the amounts the treasury collects.

The minister accused legislators of not approving a law to end pensioners salary adjustment demands. The court has just issued a decision ordering an increase in pensioners' salaries.

The decision favoring pensioners supposes an additional spending of $900 million, but the government appealed to the Supreme Court.

Economist Adalberto Rodriguez Giavarini told EFE that "the evolution of public accounts and the cancellation of the agreement with the IMF could increase the risk

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factor" that is fixed by investors with regard to putting their capital into this country.

The fear of fiscal imbalances "is due to the fact that the government overemphasized fiscal balance as the economic plan's great guarantee," economist Marcelo Lascano added.

Rodriguez Giavarini and Lascano agreed that present economic difficulties are only an alert, and do not imply any danger to the stability the country has experienced since 1991, when the current adjustment plan took effect.

The economists also agreed that the rise in interest rates in the United States has affected the capital investment that benefited the Argentine economy in the past few years.

Finally, the economists warned that the government must contain public spending, which increased by 12 percent this year compared to 1993.

Military Complains Over Cavallo Remark

PY3110185694 Buenos Aires BUENOS AIRES HERALD in English 28 Oct 94 p 2

[FBIS Transcribed Text] (NA-DYN)—Argentina's top military chiefs held an unscheduled meeting with Defense Minister Oscar Camilion yesterday to complain about a remark made by the Economy Minister Domingo Cavallo in which he alleged the Armed Forces had pressured him for more money.

Camilion was visited by Joint Chiefs of Staff head Mario Diaz and the heads of the Army, Navy, and Air Force, General Martin Balza, Lieutenant General Enrique Molina Pico and Admiral Juan Paulik, according to ministry sources.

Their joint protest over Cavallo's comments came less than a day after the Peronist caucus in the Senate decided to vote against promotions for two Navy officers who admitted to torture during the dirty war.

The four chiefs let Camilion know of their "deep displeasure" over Cavallo's statements to businessmen in Bariloche. The minister said he had had to "strain" to reject "military demands for higher wages or a larger budget."

The top brass were reportedly "astonished" at the claim since "the attitude of the Armed Forces over all these years has been that of the most complete cooperation with the economic programme." They were also said to have asked Camilion whether "any other sector of the community had co-operated to such an extent."

Menem Receives South Africa's Frederik De Klerk

PY3110213494 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1624 GMT 31 Oct 94

[FBIS Translated Text] Buenos Aires, 31 Oct (NA)—President Carlos Menem received South African Vice President Frederik De Klerk at noon today. De Klerk has come to Argentina to participate in the Chief Executives Organization (CEO) Forum.

The meeting between Menem and De Klerk—who was accompanied by Johan Kilian, the South African ambassador to Argentina, and Minister Norberto Auge, the director for Sub-Saharan Africa—was held at the president's office in Government House.

De Klerk and Menem posed for photographers and then held an amiable conversation, which revolved around bilateral issues.

Menem had already held a brief talk with the former South African president in the morning, before the opening ceremony of the CEO Forum, which took place at the Alvear Palace Hotel.

Uganda's President Yoweri Kaguta Museveni was also present at this opening ceremony, during which Menem delivered a speech on Argentine policy.

After the ceremony, the head of state went to Government House, where he met with Chubut Province Governor Carlos Maestro to sign an agreement on the establishment of a free trade zone in the city of Comodoro Rivadavia [located in that province].

Maestro expressed his satisfaction with the agreement and pointed out that Chubut Province has committed itself to not ordering exemptions from provincial taxes, with the exception of those on services that have already been provided.

Interior Minister on Harassment of Chileans

PY3110181094 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1432 GMT 29 Oct 94

[FBIS Translated Excerpt] Buenos Aires, 29 Oct (NA)—Interior Minister Carlos Ruckauf today held "those who want to tarnish relations" between the governments of Argentina and Chile responsible for the harassment of three female Chilean journalists. He emphasized that this incident "truly represents a provocation by minority groups."

Ruckauf noted: "These are agitators who have attempted to tarnish the excellent relationship between Argentina and Chile, following such an important award as Laguna del Desierto. There exist minority groups that cannot tolerate this."

In remarks to Radio La Red, the interior minister said that Chilean Foreign Minister Jose Miguel Insulza "took a very noble attitude" in "imagining that agitators had been involved" in the harassment of the journalists. [passage omitted]

[Buenos Aires NOTICIAS ARGENTINAS in Spanish at 1050 GMT on 29 October transmits a 300-word report datelined Mendoza which adds: "President Carlos

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Menem issued orders for an investigation of the harassment of three female Chilean journalists at a hotel in Mendoza. Menem stressed: 'If 10 people are responsible, 10 people will go to jail.' Menem yesterday chaired a cabinet meeting in Mendoza. During the meeting Menem ordered Interior Minister Carlos Ruckauf to quickly identify those responsible for the harassment."]

Bolivia

Expanded Trade Relations With PRC Proposed

PY0111002294 Cochabamba LOS TIEMPOS in Spanish 23 Oct 94 p A3

[FBIS Translated Text] La Paz, 22 Oct (LOS TIEMPOS)—Reporting to LOS TIEMPOS on his recent visit to the PRC, Jaime Aparicio, Bolivian international relations secretary, said today that Bolivia must increase its exports to the PRC, a potential optimum market for some manufactured and agricultural products.

"We could find markets for some of our products such as coffee, leather, and cotton, and we could also find ways to promote investments in Bolivia by people from that nation," Aparicio said.

During the visit to the PRC, the official Bolivian delegation, headed by Foreign Minister Antonio Aranibar, visited three economically strategic cities—Beijing, Yantai, and Shanghai—and, in an unusual move, were received by the PRC president.

Aparicio said that the Asian market is attractive for Bolivian products because its economic growth is spectacular—almost 13 percent annually—an aspect complementary to the situation of Latin America, which is also growing at an accelerated pace. For this reason, he stressed the need for an economic and commercial integration with that gigantic nation, which is no longer asleep. "It is important to have ties with that area," the secretary said.

He added that in all talks held with PRC officials, they had the opportunity to talk about the country and the capitalization process of state companies, in addition to analyzing the possibility of establishing PRC companies in the country based on "joint ventures" for the export of Bolivian products to Asian markets.

New Political Party Created in Santa Cruz

PY3110232894 La Paz PRESENCIA in Spanish 23 Oct 94 p 9

[FBIS Translated Excerpt] Santa Cruz, 21 Oct (PRESENCIA)—A new political party, the Popular Union [Union Popular—UP], headed by lawyer and columnist Oscar Barbery Justiniano, has been created in Santa Cruz. The new party advocates popular nationalism and the state role in national policy, especially in internal production; social and educational development; and equal justice for all. [passage omitted]

The immediate changes proposed by the UP in national policy include a review of the neoliberal policy imposed in the country since 1985; a reevaluation of the state role in foreign trade control and in the promotion of national production by preserving the free market at the internal level; a just tax policy; and, as a concrete goal, the establishment of a price of $1 per 1,000 cubic feet of natural gas.

Quiroga Denies Army Role in Attempted Attack on Reporter

PY3110220594 La Paz Television Nacional Network in Spanish 1700 GMT 31 Oct 94

[FBIS Translated Excerpts] We would like to express once again the solidarity of the media, reporters, and television viewers with reporter Carlos Mesa, in repudiation of the attempted attack against Mesa, who is the director of Television Associated Reporters (PAT). Amalia Pando has a report that includes an interview with Government Minister German Quiroga, who discards the notion of any involvement on the part of Army personnel in this incident. Minister Quiroga said a thorough investigation is being carried out.

[Begin recording] [Former President Luis Garcia Meza, in progress] I may be sitting at the door of my cell or at the door of my house, and I will watch the bodies of my enemies pass by [words indistinct]

[Pando] In this case the ex-dictator was left waiting because the letter bomb sent to PAT Director Carlos Mesa did not explode. At 1005 on 29 October, post office employee Luis Aguilar was able to detect a suspicious envelope. He said that in addition to realizing the envelope was heavier than normal, he could actually feel wires within; therefore, he called the bomb squad. The police experts then confirmed it was a letter-bomb. [passage omitted]

Government Minister German Quiroga said he assigned his best men to investigate this case. He discarded any link between members of the Armed Forces and this incident. [passage omitted] The bomb squad members were able to reconstruct a pamphlet attached to the bomb signed by a so-called Dignity Command, but Minister Quiroga does not believe there is anything organized behind Garcia Meza.

[Quiroga] We do not believe there is an organization. We believe all the organizations established during Garcia's administration have been dismantled. We have no indication whatsoever there is an organization in the country to protect Garcia Meza. But as a result of this incident, an investigation is being carried out.

[Pando] The letter bomb addressed to reporter Carlos Mesa was put in a mail box after this news program aired on 27 October a 20-minute interview with Garcia Meza in Brasilia by Reporter Monica Machicao. In the interview Garcia Meza said a bunch of lies and half-truths. [passage omitted] [end recording].

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Brazil

Labor Minister Views Child Labor, 'U.S. Pressure'

PY3110113394 Sao Paulo AGENCIA ESTADO in Portuguese 2207 GMT 27 Oct 94

[FBIS Translated Text] Brasilia, 27 Oct (AE)—Labor Minister Marcelo Pimentel today admitted that the government cannot control the child labor problem in Brazil. He said: "The problem lies in that the government apparatus does not have the means to control the situation," adding that in the shoe industry, minors work at home where government inspectors cannot enter because they are protected by their parents. Pimentel said parents are responsible for the violation of the labor law.

As for U.S. pressure to boycott Brazilian exports because they are the result of child labor, Minister Pimentel said: "That unilateral sanction would be a measure by which the developed countries force developing countries to buy their products. Thus, the developed countries would export their unemployment problem to Brazil, forcing us to coexist with our difficulties without any international aid."

Marcelo Pimentel even criticized the judicial branch as he spoke about child labor. He said: "We need a solution and the support of the judicial branch because in some cases minors work under court protection."

Asked what practical measures the government could adopt to restrict child labor, he said there are none. He said: "We have a law that must be applied. We are trying everything to control and punish those who violate job-hiring laws, especially regarding minors."

The labor minister made this statement following a ceremony in which the president decorated the winners of the 1994 Best Brazilian Worker with the Meritorious Labor Order. The president decorated Gillette manager Fernando Quintas do Paco, while the labor minister decorated 23 other workers.

Cardoso Discusses Proposed Economic Changes

BR3110150394 Madrid ABC in Spanish 31 Oct 94 p 35

[Interview with President-elect Fernando Henrique Cardoso by Ramiro Villapadierna in Prague: "I Do Not Work Miracles; I Have Only Ended Public Extravagance;" date not given]

[FBIS Translated Text] Prague—On a private visit to Russia, Hungary, and the Czech Republic, shortly before all his visits become definitely official, [Brazilian President-Elect] Fernando Henrique Cardoso finds it difficult to evade the invitations from heads of state, from [Russian President] Yeltsin to [Czech President] Havel, raining on him as he passes through. His reputation as an independent intellectual and genius of the hitherto catastrophic Brazilian Treasury precedes him wherever he goes: "Well, I am also president of the largest and most populous country in Latin America." Cultivated, independent, well-traveled, and "social democratic in thinking," Fernando Cardoso long ago abandoned the highly pernicious Theory of Dependence.

Cardoso enjoys considerable moral prestige in his country and overwhelming support in having succeeded in reducing Brazil's chronic inflation from 50 percent to 2 percent per month.

On the changes which he has found in an Eastern Europe with which he was already quite well acquainted, Cardoso says that, as an intellectual, it seems to him foolish to express an opinion on a tour lasting several days, and that, as president, it would be indiscreet, "but the greatest difference is that previously there was no civil society, and this is now being created. Creating a civil society is more difficult than creating a market, because its growth requires a whole process."

[Villapadierna] Clinton has just phoned you during this tour in order to invite you to attend the Americas summit in Miami. Does this have to do with Brazil's progressive international influence and its Security Council aspirations?

[Cardoso] Clinton has indeed phoned me and insisted that I go to Miami, which he has already suggested to [current Brazilian] President [Itamar] Franco. I replied to him that it depends on my next conversation with Franco, because we have an abnormal situation with two presidents—an outgoing and an incoming president. I will speak with Itamar Tuesday and suggest to him that I attend the second part of the summit, in order to be at the closing session, because I would then go to Washington in order to discuss some issues with the U.S. Administration in greater detail.

Speak With Clinton

[Villapadierna] Which?

[Cardoso] Brazil is interested in maintaining a more active position on the international scene. This does not mean that we are going to change my country's traditional discreet diplomacy, but Brazil has passed through a period similar to that of the United States up to the twenties, when it was an enormous but inward-looking country. Brazil now needs to go out into the world. Brazil now has very good relations with all its neighbors in Latin America, and this has been a lengthy process.

[Villapadierna] But its special relations with Argentina, for instance, have not for the present entailed its support for Brazil's possible Security Council candidacy.

[Cardoso] Look, I am going to Buenos Aires Wednesday, and I will be dining with [Argentine President] Menem and some of his ministers, and I wish to see what their opinion is, because I imagine that Argentina also has its just aspirations. We will see how everything can be reconciled, but I would like to emphasize that, while the Security Council is an important forum, with or without

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it, Brazil will henceforth have a more prominent position on the world scene. We have already freed ourselves from the obstacles of the past; we no longer have the burden of the foreign debt; we have resumed growth—last year we grew by between 4 percent and 5 percent; with the integration of the Common Market of the South Brazil has opened up its economy a great deal; and we feel more at ease in international forums. All this must go together with a say in important decisions.

[Villapadierna] What about the Ibero-American summit?

[Cardoso] I am very much in agreement, because I believe in an Iberian phenomenon: Brazil was always focused on Portugal and outside the Hispanic world. Now at last we have a considerable rapprochement with our Latin American neighbors; we speak Spanish more. There is a real affinity, and the internationalization of the economy, which is a very good thing, will not erase those "elective affinities" of which Goethe spoke. For instance, I made the effort of writing in Spain for the REVISTA IBEROAMERICANA, so that there would be greater knowledge of the countries; it turned out that my article was reproduced in Portugal, and the Brazilians then discovered that Portugal was involved in a joint effort with Spain. But much more should be done in the economic area. There are already Brazilian investments worth a certain amount in Portugal, but still very little in Spain, and there we have a broad field for cooperation. The Ibero-American summit cannot be based solely on that "elective affinity"; it is necessary to have something specific—that is, trade and technological integration : If we had accomplished this, we would be much closer today.

[Villapadierna] You are a social democrat who has led his government to agree with the oligarchic right. How will you govern?

[Cardoso] Well, with economic results like that, the Liberal Front and anybody else would have supported me too, but I will set out my three principles for you. In the first place, enhancing democracy means information and participation, and so our stabilization plan—as compared with what used to be done—has been widely disseminated, and people have been informed; second, we respect the laws of the market because we know that trying to replace the marker by the government is a mistake; and, third, the market does not resolve everything, and what it does not resolve must be resolved by the government. Today, Brazil's economic situation is very good: We have an enormous base in domestic productivity, a very considerable trade surplus, and reserves exceeding $40 billion, and the government need only keep this up by closely watching inflation, and keeping an eye on fluctuations, speculative stock, and wages policy in order to prevent them from disturbing control over inflation, because, look, it is pointless to try to distribute income and to take it from inflation.

[Villapadierna] I suppose that you ought to advise many governments. How do you reduce inflation from 50 percent to 2 percent in one month?

[Cardoso] Well, this month it was 1.86 percent. But it was not in one month; the change occurred in a month, but it was a whole year's work. What I did first was to redo all the budgets and balance them; then there was a law on officials' pay and the public sector which did not create a deficit; next, we corrected the provinces' debts, so that they are now paying what they were not paying previously. That is, we reestablished a system of internal credibility, and after all this, with many reservations, we changed the currency, and that is what looked as if it were a miracle, but I do not work miracles; I had to face up to the Congress in order to secure laws to end extravagance; in that way we succeeded in controlling public expenditure and renegotiated the foreign debt. As you see, there are no miracles but a great deal of work.

Social Violence

[Villapadierna] And your strong social sensitivity. How are you going to tackle endemic evils such as poverty and social violence?

[Cardoso] Poverty is the central problem. There are emergency programs launched by the church, the trade unions, and associations which must be kept up, but poverty must be combated structurally; that is, by creating jobs. My program aims especially at a reform of the countryside, at an effective irrigation system which will guarantee organized cultivation in the poorest areas. We are concentrating a great effort on this. I know how to handle the currency, but I want a government not for the currency but for the people; the currency is a very important factor, but in order to improve the population's living standard. Brazil is now a developed country, and if it has so much poverty, it is because the ruling elite allows it. The Zapatista movement and the events in Mexico have made me reflect a great deal—and I am certain that the same thing has happened to all my counterparts on the continent—on the major structural changes needed in order to eradicate poverty and the street children, but in order to achieve that, for instance, it is also necessary to know what families are those which we have created, whose children do not wish to be at home and prefer the streets. I do not work economic miracles; I simply ended public extravagance and everything changed.

Cardoso Returns From Europe, Meets Politicians

PY3110161994 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 31 Oct 94

[Report from Sao Paulo by Marli Moreira]

[FBIS Translated Text] Following a 15-day tour of Europe, President-elect Fernando Henrique Cardoso returned on 29 October and has been holding meetings. Today, 31 October, Cardoso will lunch with six PSDB

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[Brazilian Social Democracy Party] candidates for governor at the Ca d'Oro Hotel in downtown Sao Paulo. They will discuss his strategy for the runoff campaign.

Without resting after his 15-day tour to Eastern Europe, Cardoso spent 29 and 30 October working at his apartment on Maranhao Avenue, Higienopolis District, western Sao Paulo.

One adviser said Cardoso phoned President Itamar Franco on 29 October. The next day, amid discussions about eventual changes to his government platform, Cardoso received Finance Ministry Special Adviser Edmar Bacha, who did not speak to the media after the meeting.

Cardoso also received Sao Paulo Mayor Paulo Maluf, who arrived at his apartment at 1000 and left at 1200 saying he wanted to inform Cardoso in person of the decision by his party, the PPR [Progressive Renewal Party], to support the candidacy of Mario Covas for Sao Paulo governor.

PT Deputy Genoino Seeks New PT Attitude

PY3110124894 Sao Paulo AGENCIA ESTADO in Portuguese 2208 GMT 27 Oct 94

[FBIS Translated Excerpt] Sao Paulo, 27 Oct (AE)—Federal Deputy Jose Genoino (PT-SP) [Workers Party-Sao Paulo] said today he believes the opposition should adopt a different attitude toward the new Fernando Henrique Cardoso government. He suggests ending the attitude of "saying no for the sake of saying no" and beginning a policy of discussion and negotiation based on previously arranged proposals.

During a seminar entitled: "What Will Change Under the New Government" organized by Internews, Genoino preached a new model of action for the PT in Congress. "Before refusing to discuss a specific subject, the party must make its own proposals," he said. "We must leave aside the 'no' position and the pure and simple obstruction; we must make proposals."

It will be difficult to disseminate this idea within the PT. Genoino said the new attitude is favored by heavyweight PT members like Luiz Inacio Lula da Silva. Genoino said: "The elections proved the party is maturing," adding: "We proved this through our support for candidates in the runoff in states like Sao Paulo and Minas Gerais, even without participating in the government."

As for constitutional amendments, Genoino—who has already launched his candidacy for president of the Chamber of Deputies—favors changing the amendment approval process. Amendments currently must be approved by three fifths of congressmen, twice in the lower house and twice in the Senate. He suggests they should be approved only once in each of the two houses. He said: "After that they could be approved by a popular referendum to give legitimacy to the amendment." [passage omitted]

Franco, Rio Governor Sign Accord on Antiviolence Effort

PY0111014994 Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 31 Oct 94

[FBIS Translated Excerpt] The Army will command the effort to counter violence in Rio de Janeiro State. The plan has been agreed upon by President Itamar Franco and Rio de Janeiro Governor Nilo Batista. [passage omitted]

The main meeting today occurred at 1600; President Itamar Franco received Governor Nilo Batista for a working session to determine when the effort to deal with the violence in Rio de Janeiro will begin, and how it will be carried out. After a two-hour meeting, President Franco and Governor Batista signed an agreement establishing the beginning of the planned effort to counter violence. The Army, through the East Military Command, will coordinate the joint efforts by the Armed Forces and the federal, civil, and military police. The plan includes a series of operations intended to combat drug trafficking and weapons smuggling, and to arrest organized gangs. [passage omitted]

Here, in a live report from Brasilia by Alexandre Garcia, are new details of the planned effort to counter violence:

Governor Batista's decision to support the agreement avoided more drastic measures. The federal government, however, believes this agreement is but the first step. The general operations commander will be an experienced general. He will include trusted people in the organization that will centralize all the Rio de Janeiro public security efforts. This first step will have two objectives: One, to instill a sense of morality in the military and civilian police, and two, to put criminals in jail. If the Rio de Janeiro jails are not secure enough, the criminals will be held in military jails.

It has already been determined that during operations in the Rio de Janeiro slums, it will be sufficient to arrest from 40 to 120 criminals. The Armed Forces will be used to surround the slums; to overfly them with military helicopters, if necessary; and to cordon them off with tanks. The agreement also contemplates the possibility of besieging the city by ground, air, and sea. The Army, Navy, Air Force, Federal Police, and highway patrols will participate in the operations, which will begin as soon as the agreement is published in tomorrow's issue of the official newspaper.

The Rio de Janeiro police will fight violence with the same weapons they seized from organized crime figures: AR-15 rifles with laser sights and night vision devices, which they seized from drug traffickers. These rifles were being kept in the Civil Police storehouse at the disposal of the courts.

The Army has already made an inventory of the firepower in each slum. The main weapons currently in the hands of drug traffickers include AR-15 and FAL rifles,

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in addition to Uzi machineguns, 9-mm pistols, and grenades smuggled from Argentina and Paraguay. [passage omitted]

The Army has been closely following the drug traffickers' movements in the main Rio de Janeiro slums. The East Military Command intelligence service already has a complete list of the drug traffickers' hideouts, far from the slums, where the drug traffickers take refuge whenever they are being chased by the police. The Army asserts that the drug traffickers will be arrested wherever they hide, even if they escape to other states.

Roundup of Electoral Reports

PY2910000794

[FBIS Editorial Report] The following is a compilation of reports on electoral activities in Brazil leading up to the runoff after the 3 October general elections, as monitored through 28 October.

The bloc being assembled by the Liberal Front Party, PFL, with the Progressive Renewal Party, PPR, the Brazilian Labor Party, PTB, the Popular Party, PP, and the Liberal Party, PL, will have 230 deputies. This bloc will enable the PFL to designate one of its members as president of the Chamber of Deputies. (Rio de Janeiro O GLOBO in Portuguese 26 Oct 94 p 2)

Some 54.5 percent of the new Brazilian Democratic Movement Party, PMDB, bloc in the Chamber of Deputies will support Fernando Henrique Cardoso's government; 70.4 percent of the deputies believe that once this support is confirmed, PMDB congressmen must officially join the future pro-government bloc; and 77.2 percent intend to vote in favor of the fiscal, tax, and social security reforms proposed by Cardoso. These were the main—and surprising—conclusions of the poll by GAZETA MERCANTIL among the recently elected or reelected PMDB congressmen. Yesterday they attended their first meeting with the national PMDB executive board and some PMDB governors, among them Luiz Antonio Fleury Filho, from Sao Paulo. The poll was carried out among 44 federal deputies who attended the meeting, representing 41 percent of the total 107 members of the PMDB bloc. The deputies were not identified in the poll, although many of them spontaneously and openly revealed their opinions. (Sao Paulo GAZETA MERCANTIL in Portuguese 27 Oct p 1)

The Superior Electoral Court, TSE, foresees that 73 million voters will vote on 15 November in 17 states and in the Federal District to elect governors. As in the first round, the ballots—87 million of them—will be printed by the Regional Electoral Courts, TRE, in each state. The free electoral propaganda programs on radio and television will be transmitted between 24 October and 12 November. They will last 30 minutes. In Rio de Janeiro State, the third largest voting district in Brazil, more than 9 million citizens will vote for governor and for federal and state deputies. The TSE must give the president-elect his election-winner certificate by 19 December. Fernando Henrique Cardoso must report the expenses of his electoral campaign before 30 November. The governors, senators, and deputies also have the same time to present their campaign expenses before they receive their winning certificates from the TRE by 15 December. (Brasilia Voz do Brasil Network in Portuguese 2100 GMT 20 Oct 94)

The Workers Party, PT, national executive board has termed "unacceptable" a Maranhao PT board decision to support PPR candidate for governor Epitacio Cafeteira, in order to oppose PFL candidate Roseana Sarney. A decision was made to ask the Maranhao PT to withdraw its support for the PPR candidate because it violates a party board resolution banning alliances with rightist parties. (Sao Paulo AGENCIA ESTADO in Portuguese 2203 GMT 25 Oct 94)

The Roraima Regional Electoral Court has ruled that PTB Senator for Roraima Marluce Pinto, who was reelected on 3 October, may not fill an elective post. Pinto printed calendars with her picture at the Senate printing shop, which is an electoral crime. She has appealed to the TSE. (Rio de Janeiro JORNAL DO BRASIL in Portuguese 26 Oct 94 p 1)

The state of Rondonia has elected a senator whose resume is quite formidable: former Ariquemes Mayor Ernandes Santos Amorim, of the PDT, is facing charges in more than 30 trials. The owner of two mining enterprises that are illegally exploiting the Bom Futuro gold deposit, Amorim is also suspected of being involved with the drug trafficking gangs that operate almost freely in Rondonia. The future senator's links with trafficking are already recorded: He is mentioned in a report by the Drug Trafficking Congressional Investigative Committee, CPI, and in *Encyclopedia Britannica*. Following investigations in Rondonia, the CPI gathered "tangible evidence of the involvement of Rondonia mayors (Amorim of Ariquemes and Sebastiao Alves Teixeira of Costa Marques) with trafficking." The CPI demanded the indictment of Amorim on charges of promoting crime and exploiting mines without a federal license. On page 77 of its 1991 issue, the *Encyclopedia Britannica* lists Amorim among the 12 Rondonia politicians and entrepreneurs accused by the Federal Police of involvement in drug trafficking. (Rio de Janeiro JORNAL DO BRASIL in Portuguese 26 Oct 94 p 6)

The PT has decided to extend its "critical support" to Brazilian Social Democracy Party, PSDB, leader Eduardo Azeredo's candidacy for the Minas Gerais governorship, opposing PP candidate Helio Costa. The decision was made on 22 October during a meeting of the deliberating council of the state executive board. Regional party president Chico Ferramenta, who was elected as federal deputy, said: "We will campaign municipal party boards and ask for votes for Azeredo." (Sao Paulo AGENCIA ESTADO in Portuguese 1553 GMT 26 Oct 94)

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The results of a Brazilian Public Opinion and Statistics Institute, IBOPE, poll were released on television on 22 October. It shows PMDB candidate Antonio Britto and PPR candidate Angela Amin lead in their states. In Rio Grande do Sul, 47 percent of voters intend to vote for Britto, while 37 percent intend to support PT candidate Olivio Britto. Blank, null, and undecided votes account for 16 percent. In Santa Catarina, 49 percent of voters intend to vote for Amin, while 39 percent intend to support PMDB candidate Paulo Afonso Vieira. Blank, null, and undecided votes account for 12 percent. IBOPE polled 2,000 people in Rio Grande do Sul and 1,600 in Santa Catarina, between 13 and 18 October. (Sao Paulo AGENCIA ESTADO in Portuguese 1553 GMT 23 Oct 94)

The Rio de Janeiro PT executive board on 23 October announced that it will support PDT leader Anthony Garotinho's candidacy to the state governorship. The PT decided that if Garotinho is elected, it will not participate in the government. The Communist Party of Brazil will also support Garotinho's candidacy. (Sao Paulo AGENCIA ESTADO in Portuguese 2113 GMT 23 Oct 94)

Leonel Brizola, the defeated PDT candidate to the presidency of the Republic, on 19 October announced that he will cease to be party president in order to "meditate." He said the PDT will not cause problems to the new government. He also made it clear that he supports PT leader Olivio Dutra's candidacy for the governorship of Rio Grande de Sul. (Sao Paulo AGENCIA ESTADO in Portuguese 2139 GMT 19 Oct 94)

A special Sao Paulo PT meeting on 23 October decided to support PSDB leader Mario Covas's candidacy to the governorship of the state. PT Deputy Jose Dirceu explained that the PT position does not mean the party will participate in an eventual Covas administration. (Sao Paulo AGENCIA ESTADO in Portuguese 2057 GMT 23 Oct 94)

For the first time, a poll shows candidate for governor Olivio Dutra from the Popular Brazil Front alliance ahead of Antonio Britto from the Brazilian Democratic Movement Party-Brazilian Social Democracy Party-Liberal Party, PMDB-PSDB-PL, alliance. A poll by CORREIO DO POVO newspaper shows Dutra has 46.7 percent while Britto has 43.4 percent. It is really a technical tie because the margin of error is 2.5 percent. The poll was carried out among 1618 voters in 49 Rio Grande do Sul municipalities. (Sao Paulo AGENCIA ESTADO in Portuguese 1914 GMT 28 Oct 94)

The Para State Regional Electoral Court, TRE, has annulled the general and congressional results in 97 voting sections in the municipalities of Ourilandia, Bannach, and Tucuma. The decision was made on 27 October after a second control of the vote tally in the three mentioned municipalities showed frauds had been committed. This led to the suspension of the Ourilandia electoral judge when it was discovered that 666 people voted when the maximum number of voters registered was 300. Fraud was also detected in Santarem, Placas, Castanhal, and Ananindeua. (Rio de Janeiro JORNAL DO BRASIL in Portuguese 28 Oct 94 p 4)

Nuclear Energy Commission To Advertise 467 Vacancies

PY2810211194 Sao Paulo AGENCIA ESTADO in Portuguese 1731 GMT 26 Oct 94

[FBIS Translated Excerpt] Rio de Janeiro, 26 Oct (AE)—Fifteen years after having held their first and last candidate examinations, the National Nuclear Energy Commission (CNEN) is opening up 467 vacancies for physicians, chemists, engineers, biologists, journalists, drivers, and other professionals. CNEN Chairman Jose Mauro Esteves dos Santos reported on 26 October that the organization's four research institutes in Sao Paulo, Rio de Janeiro, and Belo Horizonte, and its headquarters in Botafogo, a Rio de Janeiro neighborhood, employ approximately 3,000 people. He said that retirements and resignations have depleted CNEN cadres over the years. Esteves dos Santos expects the vacancies to be filled through candidate examinations. [passage omitted]

Correction to Influence of Privatizations Viewed

PY2810142794

The following correction pertains to the item headlined "Influence of Privatization on Public Finances Viewed," published in the 28 October Latin America DAILY REPORT, pages 47-48.

Page 47, column two, paragraph one, last sentence, reads ...debentures ($1.44 billion) and privatization certificates ($1.29 billion). [new paragraph]

Private and public companies (the Vale do Rio Doce Company [CVRD] played an important... (adding expansion)

Chile

Insulza on NAFTA, Free Trade Talks With U.S.

PY3110172294 Santiago ESTRATEGIA in Spanish 19 Oct 94 p 48

[FBIS Translated Text] Foreign Minister Jose Miguel Insulza has asserted that following three years of preliminary talks with the United States, the lack of definite mechanism for trade negotiations is considered worrisome. He announced that in the next few days "the finance and foreign ministers will meet with U.S., Canadian, and Mexican authorities, seeking to solve the problem as soon as possible."

Yesterday Insulza addressed a large number of businessmen and ambassadors during a luncheon organized by the National Chamber of Commerce, during which he assessed the Chilean trade policy and international relations.

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He explained that within trade relations with North America there are currently two proposals. The first offer was made by the U.S. Government for trade negotiations with the possibility of a fast track [preceding two words in English] treatment by the U.S. Congress, but this was later postponed.

Insulza commented: "The second offer was made by Canada and Mexico. They stated that they are perfectly willing to approve and endorse our immediate entry to NAFTA as soon as we ask. We are obviously interested in this proposal, we are assessing it but it is not easy to seek admission to NAFTA without knowing the U.S. opinion on the subject and without knowing the details of the access clause, which is a minor NAFTA article that has yet to be regulated. We are making efforts to have the access clause drafted and to obtain a definite U.S. proposal for a bilateral or a joint negotiation with NAFTA."

He recalled that U.S. experts on NAFTA negotiations are visiting Chile and that [Finance Minister Eduardo] Aninat will meet them.

Insulza recalled that during the IMF meeting in Madrid, Aninat met with the finance ministers of the three countries and that, during the recent UNGA, the Canadian and Mexican foreign ministers said they welcomed Chile negotiating its entry to NAFTA. Insulza added: "This is what we are assessing but we still have made no decision."

He disclosed that John Biehl, the Chilean ambassador to the United States, has been summoned by the Foreign Ministry to report on his activities and assess, together with Minister Aninat, possible free trade mechanisms with that country. In November or December Insulza will travel to Washington to meet with U.S. Secretary of State Warren Christopher. This subject will be raised on the occasion.

Insulza asserted: "We are working to see which is the best way to avoid wasting time."

He added that the government is aware that significant business and political groups have voiced their support for joining NAFTA, "and it is probably what most of the Chileans' want. I am not interpreting anything, it is a fact. However, while we believe we do not need to make a decision, we prefer to keep all alternatives open. When the time comes to decide, if it is up to the Chilean Government, we will naturally choose the one with the greatest consensus in the country."

Information, Technology Accord Signed With Spain

PY0111010594 Madrid EFE in Spanish 0103 GMT 30 Oct 94

[FBIS Translated Excerpt] Santiago, 29 Oct (EFE)—Today, 29 October, the Public Works Ministries of Chile and Spain signed an agreement for the exchange of information and technology concerning infrastructure.

The agreement, signed by Antonio Llarden Carratala, Spanish under secretary of public works, transport, and environment, and his Chilean counterpart German Quintana, supposes a broad modernization plan of the Chilean infrastructure based on the Spanish experience in this field.

During the signing ceremony, chaired by Chilean Public Works Minister Ricardo Lagos, Llarden Carratala stressed the effort in the infrastructure field made by Spain over the past eight years, with an average annual investment of $700 million. [passage omitted]

The agreement signed today will allow a Spanish contribution through the Center of Studies and Experiments in Public Works (Cedex), the head of which, Felipe Martinez, was present at the ceremony. [passage omitted]

Colombia

Liberal Party Obtains 22 of 32 Gubernatorial Posts

PA0111042494 Madrid EFE in Spanish 0000 GMT 1 Nov 94

[FBIS Translated Text] Santa Fe de Bogota, 31 Oct (EFE)—The ruling Colombian Liberal Party obtained 22 of the 32 gubernatorial posts in an equal number of departments in the municipal and regional elections held on 30 October, the National Civil Registry Office reported today, after it had counted 99.9 percent of the votes.

In those elections, in which the salient points were the alliances and the defeat of several traditional political caciques by civic group candidates, the people also elected 1,043 mayors, 502 departmental assembly deputies, and 11,000 municipal councillors.

The Conservative Party obtained second place in the elections for governors, as it won in seven departments and followed the Liberal Party (which lost five of the governor's posts it had previously), while two alliances and an independent civic group each won a governor's post.

In the industrial department of Antioquia, which has the second largest population in the country, the fight between Liberal Party candidate Alvaro Uribe and Conservative Party candidate Alfonso Nunez to win the governor's post was tight to the end. The latter candidate had claimed victory, but the electoral organization reported the former won by a very slight difference.

Concerning the deputies reelected to the departmental assemblies, the results indicate the Liberal Party won 288 and the Conservative Party 129.

In Santa Fe de Bogota, the victory of Antanas Mockus, a mathematician and philosopher who has no party, was confirmed. Mockus gathered the apolitical sectors and obtained 492,000 votes, which has made him the new mayor of the country's capital city. He doubled the amount of votes obtained by his contender, Liberal Party candidate Enrique Penalosa.

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The candidates elected to be mayors for the next two years in the remaining principal cities in the country are: Sergio Naranjo (Conservative) in Medellin; Mauricio Guzman (Civic Group) in Cali; Edgar George (Alliance) in Barranquilla; Carlos Ibanez (Liberal) in Bucaramanga; and Guillermo Paniza (Liberal) in Cartagena de Indias.

National Civil Registrar Luis Camilo Osorio, whose successor will be elected by the National Electoral Council this week, expressed his satisfaction over the orderly manner in which the elections were conducted.

The official also reported that the elections in Santo Domingo Municipality (northeastern Antioquia department) were not held due to the guerrillas' harassment of election officials but that they will be held on 27 November.

Osorio said possible changes will be decided when the official vote counting is held for municipal elections on 1 November and for departmental election votes on 6 November. [sentenced as received]

The National Civil Registry Office added the following are the governors elected in the country's 32 departments who will be sworn in for a three-year period on 1 January 1995:

Amazonas:	Jose Arcesio Murillo (Liberal)
Antioquia:	Alvaro Uribe Velez (Liberal)
Arauca:	Mario Valderrama (Liberal)
Atlantico:	Nelson Polo (Conservative)
Bolivar:	Miguel Navas (Conservative)
Boyaca:	Jose Beningo Perilla (Conservative)
Caldas:	Ricardo Zapata (Conservative)
Caqueta:	Jesus Gonzalez (Alliance)
Casanare:	Emiro Sossa (Liberal)
Cauca:	Rodrigo Ceron (Liberal)
Cesar:	Mauricio Pimiento (Liberal)
Cordoba:	Carlos Buelvas (Liberal)
Cundinamarca:	Leonor Serrano de Camargo (Liberal)
Choco:	Franklin Mosquera (Liberal)
Guainia:	Humberto Tovar (Civic Group)
Guajira:	Jorge Perez (Liberal)
Guaviare:	Eduardo Florez (Liberal)
Huila:	Jaime Losada (Conservative)
Magdalena:	Jorge Caballero (Liberal)
Meta:	Alfonso Ortiz (Liberal)
Narino:	Eduardo Albornoz (Conservative)
Norte de Santander:	Sergio Entrena (Liberal)
Putumayo:	Jorge Fuerbringer (Liberal)
Quindio:	Belen Sanchez (Liberal)
Risaralda:	Diego Patino (Liberal)
San Andres:	Antonio Stephens (Liberal)
Santander:	Mario Camacho (Liberal)
Sucre:	Hector Perez (Liberal)
Tolima:	Francisco Penalosa (Civic Group)
Valle del Cauca:	German Villegas (Conservative)
Vaupes:	Jaime Garcia Vargas (Liberal)
Vichada:	Alvaro Londono (Liberal)

Minister on Intelligence Operations Against Cali Cartel

PA3110232894 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 31 Oct 94

[From the "National Newscast"]

[FBIS Translated Text] The interview Gilberto Rodriguez had granted to TIME magazine makes evident once again the weaknesses of the national and foreign intelligence services. One of the most wanted men in the world moves about easily throughout Colombia.

Defense Minister Fernando Botero has said the intelligence operations by the police against the so-called Cali Cartel will have to be reviewed, particularly those against Gilberto Rodriguez Orejuela, who very calmly had granted an interview to the TIME correspondent in Colombia in Cali and northern Santa Fe de Bogota less than one month ago. He has also questioned the action of the international agencies that are cooperating in the search for the members of the Valle cartels:

[Begin recording] [Botero] They have evaded not only the action of the Colombian authorities but also the cooperation that is being received from other institutions, particularly the DEA and the CIA, which have cooperated with the Colombian authorities. This action shows that they are a difficult target and that we will have to review the situation.

[Unidentified reporter] Will you reprimand the police because of this issue?

[Botero] We have already had conversations about this topic. [end recording]

The defense minister has acknowledged the sophisticated nature of the Cali Cartel's security system, which has enabled it to evade the operations by Colombiar and foreign authorities.

Government Reiterates Goal of Dismantling Cartels

PA0111035794 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 1 Nov 94

[From the "24 Hours Newscast"]

[FBIS Translated Text] The Colombian Government has stated its position with regard to the TIME magazine article. It has reiterated its policy of surrendering to justice and giving priority to the dismantling of the Cali Cartel before jailing it.

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This is the document officially issued by President Ernesto Samper in which he reiterates his drug policy. The strategy for the government is clear and concrete—the goal is the dismantling of the cartels.

The document states: We Colombians, who have been victims of narco-terrorism, are victims of narco-corruption, and we could become victims of narco-consumption. We know through experience that it is more important to dismantle the cartels than to jail the capos. The latter action is necessary, but it is not enough.

It is stated further down in the same document: We gain nothing by having the cartel lords inside the jails if drug trafficking continues to operate.

To conclude a sentence which for many is curious: Justice wins in the end. Thus were the cases of Rodriguez Gacha, Escobar, and Al Capone. Justice may limp and even stumble, but it triumphs in the end.

Defense Minister on Dismantling Cartels

PA0111043394 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 1 Nov 94

[From the "24 Hours Newcast"]

[FBIS Translated Text] Defense Minister Fernando Botero has said the dismantling of the cartels does not mean not punishing the drug lords. The new Colombian and U.S. policy of combating drug trafficking consists of reducing production, marketing, and consumption:

[Begin Botero recording] It is not enough for certain drug lords to be sent to jail if the business is not dismantled. What is important is to combine any type of legal punishment with a policy of dismantlement so as to end the business. [end recording]

The new strategy has the full support of the United States:

[Begin Botero recording] There is a common interests by both nations—I would say of all the nations of the world—to foster a total dismantling of the business so as to halt the moral, economic, and political ravages. [end recording]

Paraguay

Taiwanese Foreign Minister Meets Wasmosy

PY0111010794 Asuncion ABC COLOR in Spanish 29 Oct 94 p 19

[FBIS Translated Text] Taiwanese Foreign Minister Chien Fu yesterday met Paraguayan President Juan Carlos Wasmosy at Government House, and the two government officials reaffirmed their decision to strengthen mutual cooperation. The visiting dignitary conveyed to President Wasmosy an invitation from his Taiwanese counterpart, Li Teng-hui, to be acted upon at Wasmosy's convenience.

During the 45-minute meeting, which took place in the president's office, the two parties emphasized the excellent bilateral relations between the two countries, and the desire to continue strengthening them.

Wasmosy underscored the aid in many fields that Paraguay has received from Taiwan. Chien indicated that Paraguay has many resources for its development, and listed the projects that have his government's support.

The visiting foreign minister explained that his government is closely following Paraguay's development, and highlighted the fact that Paraguay has had a democratic regime since 1989, and a "popular election of engineer Wasmosy" as president of Paraguay. Wasmosy stressed that bilateral relations between the two countries are very strong, which makes it possible to undertake new development projects.

The two dignitaries reviewed the relations between the two countries, and Chien consistently urged Paraguay to strive for development in every field.

Chien and Wasmosy also discussed the possibility of channeling large investments into Paraguay to help create new jobs.

They mentioned the possibility of having groups of bankers come to Paraguay with their capital, using it to help develop the country. Paraguayan Foreign Minister Luis Maria Ramirez Boettner accompanied his Taiwanese counterpart.

The Taiwanese foreign minister agreed with Paraguayan congressmen that the aim of international cooperation should always be the well-being of the people and the strengtheing of democratic institutions.

Minister Chien visited the Paraguayan Congress, where lawmakers Evelio Fernandez Arevalos, Atilio Martinez Casado, Carlos Alberto Gonzalez, Martin Sanneman, and Conrado Pappalardo welcomed him. The visitor stated that his government is encouraging Taiwanese businessmen to invest in Paraguay.

Senate Speaker Fernandez Arevalos said that the meeting served essentially to strengthen ties of friendship, and that the subject of Taiwanese cooperation in building a new congress building was not raised.

Fernandez Arevalos said: "We evaluated Paraguay's transition to democracy and compared it to the situation in Taiwan. We agreed that the aim of international cooperation should always be the well being of the peoples and the strengthening of democratic institutions."

The parties indicated that although Taiwanese investments in Paraguay are hampered by distance and language differences, the political will of the two nations can help overcome these natural obstacles.

Before visiting Congress, Foreign Minister Chien and his entourage met briefly with Paraguayan Vice President

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Angel Roberto Seifart. This was a purely formal meeting; the two officials exchanged presents, and indicated that both governments will continue to cooperate for the strengthening of bilateral relations.

Correction to Interior Minister Interviewed on Drugs, Politics

PY2810144394

The following correction pertains to the item headlined "Interior Minister Interviewed on Drugs, Politics" published in the 28 October Latin America DAILY REPORT, page 53:

Column one, paragraph six, last sentence...35,000 or 40,000 feet—about our conversation in a ... (changing "with" to "about")

Peru

Fujimori Reiterates Appeal to 'Terrorists' To Surrender

PY3110180894 Madrid EFE in Spanish 0102 GMT 31 Oct 94

[FBIS Translated Text] Lima, 30 (EFE)—Peruvian President Alberto Fujimori today reiterated his call to terrorists still up in arms to surrender before the Repentance Law expires at midnight on 1 November. [date as received]

Fujimori made this appeal after dedicating a highway near Lima. He said 98 percent of all the terrorists have already been arrested and sent to prison.

He added that terrorists arrested after 1 November will face a prison sentence of no less than 20 years, according to their rank within the terrorist organization.

Fujimori said he did not believe in the existence of a new terrorist movement called "Peru Rojo" [Red Peru], adding that if it does exist it will be dismantled.

While there are no official figures, it is estimated that 6,000 members of the maoist Shining Path [SL] and the Tupac Amaru Revolutionary Movement (MRTA) terrorist groups have "repented" and surrendered since May 1992 when the Repentance Law was implemented.

Military sources have said that during the past few days some 300 to 400 alleged terrorists and people who, under a death threat were forced to cooperate with the terrorists, have surrendered.

Fujimori said members of the Ashaninka indigenous communities in the central Peruvian jungle region were subject to slavery by the SL and cannot be regarded as terrorists. The Ashaninkas were forced to feed the terrorists and even accompany them in their attacks.

The chief of state announced the dismantling of the National Defense System offices which functioned at public institutions because the terrorism problem, which is reaching its final stage, is no longer a justifiable threat.

Army Begins Offensive

PY3110224594 Madrid EFE in Spanish 1710 GMT 31 Oct 94

[FBIS Translated Excerpt] Lima, 31 Oct (EFE)—The Peruvian Army today began an offensive in the central and northern jungle region of Peru as the deadline established by the repentance law expires today. Some 6,000 Shining Path and Tupac Amaru Revolutionary Movement (MRTA) members have sought refuge under this law.

Some 4,000 soldiers are taking part in the offensive, which is being carried out in places where the terrorists are allied with drug traffickers or have sought refuge in the woods.

According to journalists' reports released today, the mission of the antisubversive forces is to "find and destroy" the seditious groups that still subsist.

The fronts where the operations began are located in the valleys of the Ene and Apurimac rivers, in the central jungle area of the departments of Pasco and Junin, and in the valleys of the Mantaro River in the Peruvian central mountain region and of the Huallaga River in the Amazon woods in northern Peru. [passage omitted]

Helicopter gunships are supporting the ground forces to detect the Shining Path columns that are still active in the zones targeted by the military operation, which, in the case of the Ene River valley, will have to avoid Vietnam-style "booby traps" the Shining Path terrorists have set, according to some Ashaninkas rescued by the Army.

Moreover, Victor Perez Liendo, president of the commission in charge of the repentance law, has reported that by 20 October a total of 5,104 terrorists had surrendered to government officials, of which 1,204 were already benefiting from the repentance law.

The repentants will be able to obtain a reduction, exemption, extenuation, or remittance of their sentence, according to the individual case, granted to repentants who provide any information they possess.

Only the leaders are excluded from attaining those concessions granted by the repentance law.

Nevertheless, Peruvian President Alberto Fujimori himself admitted last weekend that despite everything that is done for pacification, "the attacks will continue; I can guarantee that, and there should be no surprises." [passage omitted]

Tamayo Torres Named 'Terrorist' Crimes Prosecutor

PY0111024294 Lima EL COMERCIO in Spanish 14 Oct 94 p A19

[FBIS Translated Excerpt] PNP [Peruvian National Police] Colonel Isaias Tamayo Torres yesterday issued a

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dramatic and energetic appeal to the few terrorists who insist on undertaking criminal activities to surrender under the repentance law. Tamayo Torres was recently appointed special prosecutor for terrorist crimes. He replaces Daniel Espichan Tumay.

After warning that the all-out antiterrorist fight will continue to bolster the pacification process the country is experiencing, Tamayo said that "they must understand that the law will give them the opportunity to become positive members of society."

Tamayo added that problems are being overcome to grant repentant terrorists more guarantees and safety.

He said the office he heads is centering its efforts on demanding the expeditious treatment of cases of terrorism and treason to the fatherland that are currently handled by the civilian and military courts. [passage omitted]

Main Aspects of PPC Government Plan Outlined

PY0111020694 Lima EXPRESO in Spanish 14 Oct 94 p A2

[FBIS Translated Text] The Popular Christian Party (PPC) government plan is based on four basic aspects; part of this plan was outlined by presidential candidate Lourdes Flores Nano during her tour of Ayacucho and Piura.

The four aspects reportedly refer to the generation of mass employment by promoting the micro-and small-size companies, reactivation of the agriculture and livestock sector, restructuring and reform of the state, and the issue of local governments and regionalization.

Moreover, in an effort to enhance her campaign, inflation, unemployment, drug trafficking, terrorism, corruption, nutrition, and education have been pointed out as the main problems affecting the country.

These points will be developed in accordance with the timetable of visits by the presidential ticket and the working plan entrusted to congressmen and national and regional leaders.

All of this task will be coordinated by Miguel Angel Mufarech, president of the national campaign command.

It was also reported that another key aspect the PPC presidential ticket will insist upon is the issue of social support and the development of a social market economy led by a strong and solid state promoter of the productive activity.

The PPC will also stress the need to develop the agricultural area, implementing some corrections to the economic policy with the purpose of developing, in the short term, the profitability of agricultural production, and allowing Peruvian farmers to obtain components and machinery at a cost similar to that offered their counterparts from the exporting countries.

It will also establish a credit system intended for small and medium-size enterprises, as well as small agricultural farms, with competitive interest, one of the mechanisms of which would be to expedite lines of credit for those areas, and to make the demands for guarantees more flexible.

The PPC will also propose an acceleration of the process of granting titles and public registry for rural properties in order to facilitate the land market with purchase-sale, rent, and mortgage guarantee operations, among others.

Uruguay

Presidential Candidates Discuss Initiatives

Volonte Details Economic Plans

PY3110130594 Montevideo EL OBSERVADOR ECONOMICO in Spanish 22 Oct 94 Special Supplement p 3

[FBIS Translated Text] Alberto Volonte, a National Party presidential candidate, announced that if he is elected president he will as of 28 November push for a multisector agreement to reform the social security sector. This will be his absolute top priority.

Volonte told EL OBSERVADOR ECONOMICO that this law must be approved at the very latest by 30 May "in order to then use the national budget for the rationalization, redistribution, and training of human resources in order to achieve the transformation of the state."

Volonte explained that these two initiatives "run parallel courses, but the social security sector is tied to the budget, because if the social security sector is not reformed then a different budget will have to be drafted. That is the spine of the country," Volonte said. "We will govern afterwards, of course," he added.

Volonte explained his "initial steps" in government if he wins the elections. He reported that on 28 November he will call on "all of society's representative organizations: the business chamber, the PIT-CNT [Interunion Workers Plenum-National Workers Convention], all those who have the possibility of approving the board of directors of the Social Security Bank, and of course the pensioners."

He stated that this call will be made in order "to demand one thing from them: to tell them that regarding the project for the analysis and reform of the social security sector, we have to come to an agreement as to how we are going to organize the future, but there will be no talking of the past, and consequently what role will be given to the Social Security Bank."

He indicated that he will ask those sectors to name technical representatives "because in the first stage I

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want a technical analysis that will not be influenced by a political analysis, and which is far from the influence of a union-political, party-political, or political social analyses."

Volonte stated that this first "stage must be ready at the latest by 15 December so that the problem can be resolved within a national context."

The National Party candidate said that "I am going to ask that the draft law submitted by Julio Maria Sanguinetti, which was signed by Hugo Fernandez Faingold in March-April 1987, be used as a source of inspiration, together with the draft laws that this government has submitted to Congress, and I plan to include the rules and regulations that were used for the last rendering of accounts."

The candidate added that he will give the experts 60 days "to draft a reform project without the intervention of the political sector. By 15 February the project will be distributed to the new deputies and senators who will be sworn in on that day. And I hope that on 1 March, when the new president assumes power, the deputies and senators will have studied the technical project. It is thus hoped that the matter will be resolved by all sectors of society and by all political parties by agreement, and not on the basis of negotiations in which determined ministries or organizations are involved."

Volonte stated that he hopes that the congressmen can unofficially evaluate the project between 15 and 28 February. On 1 March at 1900 I want to be signing the message, because I believe that this project has to be approved before 30 May. Why 30 May? It is not a whim, it is because the national budget, which will now be in force for a 5-year period, must be submitted before 30 June by constitutional mandate."

He explained that "no one in this country can draft a national budget if he does not have as the dominating factor the peace of knowing that the topic of social security has come to a good end.

"In the first place we must have a decision on social security, the retirement system, and the Social Security Bank, which is of course the same thing, but I want to study them separately.

"It is then that we can make an overall call through the Treasury, the General Accountant's Office, the Economy Ministry, the National Budget Office, and the Civil Service Office to draft a technical budget and thus really begin the reform of the state. The budget law is the instrument with which to reform the state," he said.

He indicated that the budget must be used "to redistribute and rationalize human resources and to redistribute and rationalize material resources."

Sanguinetti Views Privatization

PY3110152594 Montevideo EL PAIS in Spanish 22 Oct 94 p 11

[FBIS Translated Text] Batllist Forum presidential candidate Julio Maria Sanguinetti has admitted an "affinity" with Alberto Volonte, a National Party candidate, on matters such as ways to implement the social security system reform. The former president acknowledged: "This shows there can be agreement" (with Volonte). He said: "The ability to agree is what must be proven; we are willing to do so. We are looking ahead, which is why we sought agreement with the PGP" [the Party of Government by the People].

He indicated that the need to seek understandings and consensus after the elections is the reason why "we not attack nor disqualify, as some do during election campaigns."

He termed as "good" the proposal by Jorge Battle, leader of the Batllist List No. 15, to cut social security contributions by the business sector. "We foresaw this in the Program 2000, although not as a global cut because we must improve our competitiveness. We could substitute this revenue with taxes that do not affect exports, but on all other activities including imports. This mechanism could encourage exports by allowing the state to loose in one area but gain in another. We want exports to be a dynamic factor in Uruguay's growth," Sanguinetti said.

He said: "It is an interesting prospect, although the financial impact will have to be studied. It could be implemented gradually."

If elected, Sanguinetti said he will promote—maybe within the budget law—rules to allow public employees to be transferred. He said: "This does not mean firing people, it means upgrading the public administration and the individual public employee."

For Sanguinetti "it is very clear that the state can and must reduce the number of employees, with the exception of police and public health employees. The problem is that many of those who join the police force do not go to the executive levels, where they are needed, they become administrative employees. Worse still is that behind this passion for appointing people is an attitude of patronage that is not politically beneficial. Patronage corrupts the state."

Regarding his suggestions earlier this week to sell off some assets in order to finance the social security sector reform, Sanguinetti said the situation was different when the government made the proposal. "It is one thing to sell off the basic telephone system monopoly to a foreign enterprise, but it is entirely different for the state to sell some assets without committing itself to other factors after having set the fundamental priorities." Sanguinetti made these remarks during the "Live" Program of the CX 8 Radio Station.

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"The rights of pensioners must be maintained; there can be no discussion on this point. They cannot be touched from a constitutional, legal, or a moral viewpoint. We political leaders have highlighted the need to confer with young people to design a system for the future, linking their savings with what will be received as a pension. This means a period of transition has to be financed. Another alternative would be to tax the individual or to sell something that can bring in resources," Sanguinetti said.

He stated that selling an ANTEL [National Telecommunications Administration] service "is not forbidden," although he made it clear that it was not a concrete proposal.

The former president said: "Privatizations must be discussed pragmatically. If problems arise and we lose money, we will see if there is any justification for compensation. If the service is not justified, then privatize it."

Sanguinetti Proposes 'Pragmatic' Program

PY3110201394 Montevideo EL OBSERVADOR ECONOMICO (Special Supplement) in Spanish 22 Oct 94 p 2

[FBIS Translated Text] Julio Maria Sanguinetti, former Uruguayan president and presidential candidate for the Batlleist Forum, the Party for the Government of the People, Crusade 94, and the Batlleist Reaffirmation Movement, has indicated that should he win the 27 November elections, the main goal of the first 100 days of his administration would be to awaken "the necessary collective will so as to jointly implement a common, pragmatic and feasible project."

Sanguinetti told EL OBSERVADOR ECONOMICO that he will "encourage the country's export drive," will stimulate the opening of "good quality jobs," and will redirect social public spending.

Sanguinetti explained: "The people are aware that the Batlleist Forum has drafted a lengthy paper on the country's main problems and challenges, and that it outlines for each the approach that our new administration plans to follow."

He added: "This paper sets forth the basic economic policy guidelines for stabilization and reform, and the main objectives and approaches for a program aimed at recovering competitiveness. The country's commitment to increasing exports is also reaffirmed, as well as the main guidelines for agricultural, industrial, and service sector policies aimed at carrying out this commitment."

Sanguinetti said: "The paper also outlines the initial approach to social issues, aimed at substantially reducing the number of people who have been excluded from Uruguayan society because of the growing poverty and the decline of opportunities for various strata, especially the young, women, the disabled, and the elderly."

Sanguinetti explained that "to deal with this problem the Batlleist Forum proposes a dual strategy whose first objective is to create good quality jobs in the modern sector of the economy, and to provide opportunity for self-employment through small and medium-size enterprises primarily for young people, breadwinners, and workers who have lost their jobs because of retooling. The second objective is to redirect social public expenditures so as to better focus public actions, make them more selective, and give priority to 'investing in people,' especially as far as education and health are concerned. Forty different programs are proposed to reform the Uruguayan education system, to give equal opportunities to all members of Uruguayan society and to properly train Uruguayans so that they can successfully cope with the challenges of integration and carve out a place for the Uruguayan economy in the world."

The former president added: "The broad program that we have developed also focuses on the reform that the state must undergo to become a key figure in the process of development. The program sets forth the basic principles of what we believe to be a necessary in-depth reform, and the main guidelines for our relationship with the region and the world as a whole."

Sanguinetti stated: "It is obvious that the abovementioned issues can only be dealt with jointly, through combined policies. It is equally true that in order to attain success it will be necessary to reach serious and pragmatic agreements with political parties and broad strata of the society. It is also obvious that the 'right path' toward the above agreements will be selected on the basis of the country's situation on 1 March 1995 and the power balance resulting from the 27 November elections."

Sanguinetti concluded: "Taking all this into account, the 'first 100 days' is of relative interest only insofar as concerns the fact that the foremost task will be to awaken the necessary collective will so as to jointly implement a common, pragmatic, and feasible program. Everything must have a beginning, and we believe that this would be the right start."

Vazquez Outlines Plans for First 100 Days

PY3110173594 Montevideo EL OBSERVADOR ECONOMICO in Spanish 22 Oct 94 Special Supplement p 4

[FBIS Translated Text] It is the opinion of Tabare Vazquez, the Progressive Encounter's presidential candidate, that "there is a certain tendency to mystify the first 100 days of any administration. As proof of this, we have a series of sayings such as: '...if an administration does not carry out something at the beginning of it mandate, then it will never carry it out...'; '...the honeymoon of the first 3 months must be taken advantage of to adopt the strongest measures...'; and others that politicians and political analysts accept and repeat as revealed

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truths. Personally, and for two important reasons, I do not share this mystification."

"In the first place," Vazquez explained, "although I acknowledge the importance that the beginning of any democratically elected administration has, in that it means the beginning of the implementation of a political project that has been approved by the people, I believe that fortunately the processes of this type are so complex and dynamic that it is impossible to limit them to a pre-determined list of measures to be implemented in an also predetermined period of time."

"Etymologically speaking," he added, "to govern means having the wheel in your hand. And any good navigator knows that in handling the wheel it is not only a question of velocity, but also basically one of orientation."

"In the second place," he continued, "there is another reason not to share the 100-day myth, and it derives from a frequent and well-known event: Once they assume government, many political forces and candidates do not carry out the commitments that they have promised as immediate measures. In some cases it is due to a lack of political will; in others it is because those commitments, although sincere, are more long-term objectives than short-term ones."

"But with what has been said it cannot be concluded that Progressive Encounter is insensible to the first 100 days of government."

Vazquez said that "on 1 March itself, and in compliance with the Constitution, we will submit to Congress the main lines and objectives of the new government and the team that will have the political responsibility to carry them out."

"At the same time," he said, "we will begin a new stage in a task that is a key to democracy: dialogue with all political, social, and economic agents so that we can get the country to function with the help of everyone."

"It is true that we do not have to wait until 1 March in order to talk, and it is true that we have already done so when we were in charge of the municipal government [of Montevideo]. We are also talking now, during the election campaign, and will do so during the three months separating election day from the day we will assume the responsibilities of government. But it is evident that the circumstances are different, and the responsibilities with regard to the fluidity, frankness, and productivity of dialogue are greater, when one becomes an administration," he added.

The Progressive Encounter candidate explained that "there are three priority aspects in the program that has been proposed by Progressive Encounter, and we plan to highlight them when we are in government: the country's economic reactivation on solid ground, looking after the needs of the people and the interests of the nation; a deep reform of the educational sector; and the recreation of the social security system."

"We will work intensely," he said, "on these points, and the agreements that are achieved, including those that do not come within the framework of those points, must necessarily be included in the budget to be used during the entire period of administration, which the executive branch must submit to Congress within the first six months of its mandate. The budget, which is a program of resources and expenditure, is the genuine and indispensable 'instrument panel' of the government, and just as its drafting cannot be done in the loneliness of offices, its analysis and discussion cannot be a boring, lengthy, and frustrating dialogue among deaf people."

"All of this," he stated, "must take place within an indispensable environment, without which no political project would have any human sense at all: the full functioning of democratic institutionality, with individual rights in force. For this to occur it is necessary to satisfy the basic needs of the needier sectors of the population through a series of emergency measures in the health, housing, and job sectors, etc. In the end it is the responsibility of good government to avoid violence, and in order to do so there is nothing better to do than eradicate poverty, which is one of the most brutal forms of violence, as it demonstrates the degree of lack of justice within society."

Pereyra Outlines Plans for Coalition

PY0111015294 Montevideo EL OBSERVADOR ECONOMICO (Special Supplement) in Spanish 22 Oct 94 p 2

[FBIS Translated Text] Carlos Julio Pereyra, senator and leader of the Rocha National Movement, has stated that if he is elected president, he will dedicate his first efforts to the creation of a government coalition, to encouraging production through loans, and to adopting measures so that the breach between the exchange rate and inflation does not widen.

"The first measure that must be carried out in this country by a new government is that of achieving a coalition, the political understanding that is necessary to govern," Pereyra said, and he recalled that "a majority is needed in Congress, and this is something that no party, much less a candidate, can achieve today."

"For this emergency, and in the event I am elected, I will call on all the political forces without exception to try to achieve a national consensus. I believe that in Uruguay the governments of parties that have been imposed by the circumstances have now come to an end, and governments of national characteristics are now needed," he explained.

Moreover, he warned that this "cannot be achieved just with a political share out because we would be falling back on old vices, and today the country is demanding that these old vices be forgotten. A stable and fertile government must be based on a government agreement that will generate the conditions to achieve the ideal."

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"And, although the Constitution does not demand it, the plan of government and the ministers charged with carrying it out should be submitted to Congress so that it can express an opinion. I believe that in this way we will make relations between Congress and the executive branch more flexible, thus avoiding that nearly continuous confrontation that exists whereby Congress strongly demands certain attitudes from the executive branch, which in turn responds by saying that Congress does not work, that it does not approves laws, etc. This must be done away with and a more fluid relationship achieved so that the country will know that the common purpose is to make the government work."

Pereyra feels that "government actions that currently appear to be uncoordinated should be coordinated. This coordination must be done through the Council of Ministers. Currently, a meeting of this council is called only when exceptional, high-profile events are involved, but we will try to hold weekly meetings to achieve the necessary coordination."

The leader of the Rocha National Movement proposed an economic model "capable of encouraging and increasing production, and turning the country into a strong exporter by increasing the exportable surplus," because that way "our work will yield better results, and allow our agroindustries to operate more efficiently."

Pereyra said: "First of all, we must increase our production per hectare." He then posed the question of "why production is not intensified."

He explained that "there are two reasons, one of which is the heavy, irrational tax burden that Uruguayan farmers must bear because five or six different taxes are levied on the same asset: land."

He added: "The second reason is that modern technology is needed to increase production per hectare, and in order to gain access to this technology, we need loans."

Pereyra stated that "many experts believe a revolution in production could increase agricultural exports by 50 percent."

He went on to say: "These exports would be worth a lot more if we were to add the work of our people to these additional tons of farm products by processing them through agroindustries. Furthermore, in a country that is losing its rural population, such agroindustries should be set up in the interior."

Pereyra emphasized: "The mechanisms are there. If exports grow unencumbered by a low exchange rate, or other restrictive measures, the flow of foreign currency will increase. If there is more foreign currency, investments will increase, and if investments increase, more jobs would be available."

He stated: "Industry, the other great driving force in the economy, should also be encouraged by means of a stable—which does not mean protectionist—policy."

He concluded: "Our social needs, such as health, education, housing, employment, and investment growth, can be better handled by fostering their common denominator: a revolution in production."

Outlook for National Economy Examined

PY3110123094 Montevideo EL PAIS in Spanish 20 Oct 94 Market Indicators Section p 1

[FBIS Translated Excerpt] The economic results for 1994 can be seen as following the trends that characterize Uruguay's economy at this juncture, namely a slight upturn in economic activity, a growing fiscal deficit, decreasing inflation, and a larger trade deficit.

The economic prospects for 1995 will be influenced by external occurrences, the priorities and objectives of the new administration, and current restrictions. What stands out in particular is "the problem stemming from the exchange rate lag over the last few years" and the prevalence of a moderate fiscal deficit.

These are the conclusions of the first Report on Current Economic Conditions drafted by the School of Economics' Economics Center, within the framework of an agreement on scientific cooperation between the State University and the Senate.

The following are the most significant conclusions of this 80-page report on the outlook for 1995. [passage omitted]

Economic Policy

With regard to the economic policy, the report surmises that in 1994, its last year in office, the current administration will maintain the same strategy of the last few years aimed at rolling back inflation to 35 percent annually, using the exchange policy as its fundamental tool.

Global Variables

The GDP would register a slightly greater increase than in 1993 (nearly 2 percent) and imports would grow by approximately 15 percent in constant values. The resultant 5.5 percent expansion of overall supply would in turn be prompted by an increase in domestic demand, although foreign demand is also expected to grow, but at a slower pace.

A moderate increase in private consumption, coupled to a surge in investments, would account for the growth in domestic demand.

The performance of investments would fundamentally hinge on the expansion of the construction industry, which would once again be quite significant both at the private and public level, but especially at the public level. [passage omitted]

Productive Sectors

Agriculture would perform well.

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The expansion of cattle raising, and to a lesser extent the increase in the production of milk, hides, and poultry, would prime the upswing in the livestock sector. The future of the production of wool seems quite uncertain, because even though the number of sheep would decline, this drop may be offset by an increase in the production per animal. [passage omitted]

The manufacturing industry, affected by the competition of imported products on the domestic market and by the lack of dynamism in exports, would continue to be steeped in a recession. Nevertheless, the expected upswing in the automotive industry (prompted by the increase in exports to Argentina and Brazil following bilateral agreements with those countries), in meat packing plants, and in construction-related industries would enable it to have less unfavorable results than in 1993.

Prices, Revenues, Exchange Rate

The increase in foreign currency demand resulting from uncertainty about the exchange policy to be implemented by the next administration—something which has been happening since last August—would maintain the dollar exchange rate above the floor of the floating band. This would cause an acceleration in the devaluation rate in the forthcoming months. Still, it is expected that the considerable international reserves would enable to weather this turbulence without major difficulties. [passage omitted]

Inflation would once again fall to slightly over 40 percent per annum. [passage omitted]

Foreign Accounts

The trade deficit would be greater than the previous year, as exports in dollar terms will register only a slight expansion while imports will continue their accelerated rate of growth. It will represent over 6 percent of Uruguay's GDP. [passage omitted]

As has been the case over the last few years, the trade deficit will be counterbalanced by the surplus in tourism.

Due to the fact that interest payments will increase because of the rise in international interest rates, it is estimated that the current account deficit will be approximately 4 percent of GDP. [passage omitted]

Summary and Trends for 1995

In sum, the report has tried to show that the characteristics of the current economic situation point to a continuation of certain trends in what remains of 1994, namely a slight increase in GDP primed by the upswing in services and the construction industry; a growing fiscal deficit; lower inflation due to the lower pace in the devaluation of the peso—which is not in accordance with official estimates—caused by the existence of widespread indexation mechanisms; and a surge in the trade deficit, which will be partly offset by the surplus in the balance of non-financial services.

In the longer term, the marked influence of certain external events on Uruguay's economic performance renders the task of making forecasts more difficult. It should be added that the new administration, which will be inaugurated in 1995, will have to define the objectives and priorities of its economic policy within the framework of restrictions and/or problems prevalent at the outset of this new administration.

These will include, in particular, the problem arising from the exchange rate lag that has been accumulating over the last few years, especially due to the difficulties it poses for the productive sectors exposed to foreign competition and to the deterioration in the balance of trade. Moreover, the new administration will have to deal with the existence of a moderate fiscal deficit. Taking into account the debt-carrying capacity of the public sector, this deficit should not be worrisome if it is kept at the present levels. However, if there should be a downturn in economic activity and/or the cost of the public debt were to increase considerably, the fiscal deficit may register a significant increase.

On the basis of what has been stated above, this report has opted for not presenting the quantitative estimates for next year. Notwithstanding, it is pertinent to point out some factors pertaining to the international and regional infrastructure that our country will be facing in the near future.

Referring to the international sphere, there are reasons to believe that Uruguay will receive less favorable external impacts within the financial sphere (associated with a larger outlay pertaining to the foreign debt, and a decrease in incoming capital) than it has received in the recent past; and that it will receive more favorable influence in the trade sector, especially in the external demand for agroindustrial products (associated with the reactivation of the industrial economy, with the incipient reduction of the protectionism of the OCDE [Economic Cooperation and Development Organization] countries, and with the improvement of the country's sanitary conditions).

Regarding the regional area, the studies that have been made allow us to anticipate a favorable evolution of the Brazilian economy in 1995 and a negative performance by the Argentine economy when compared with this year's situation. Due to the different characteristics of the impacts on the Uruguayan economy from the two neighboring countries, we can expect a certain negative impact on activities linked to tourism (commerce, transport), in residential construction, and on a section of the industrial sector, and a positive impact on the agricultural and agro-industrial sectors.

In sum, it can be believed that the international and regional influences that have been mentioned will in 1995 presumably determine a certain improvement in

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the trade sector and a certain deterioration in the services sector. Regarding the level of activity, it is very difficult to predict the net effect of all of these influences.

Venezuela

Intelligence Document Criticizes Caldera Policy

PA0111151094 Caracas EL NACIONAL in Spanish 30 Oct 94 p D-9

[First of two installments of a report by Javier Ignacio Mayorca]

[FBIS Translated Text] A joint assessment by the Intelligence Directorate of the Army has labeled President Caldera's exchange rate controls as "improvised."

The document was drawn up at the end of August by the Department of Analysis and Dissemination of the above-mentioned military branch directed by Brigadier General Eduardo Jose Chacin Mata.

These findings, however, were subsequently reviewed by other agencies within the Armed Forces, which concluded they were part of a campaign headed by the Staff Intelligence Directorate allegedly designed to "weaken and create a negative image of the government within the military."

EL NACIONAL has gained access to this document. The document was not drafted by any one person. Instead, it appears to have been drawn up by groups of analysts working on specific areas; in turn, these groups consolidated their findings within a single document. In the document, emphasis is placed on political and economic factors.

A DECADENT SYSTEM

What at the beginning appears to be a disinterested military study occasionally falls into criticism that employs propaganda-like language. In its political aspect, the intelligence document starts by warning of the presence of new variables that are influencing the "tense social situation." Among these are listed the worsening of the financial crisis and obvious differences within the political parties.

This latter point would be of utmost importance to Army analysts for whom the unresolved crises within the Democratic Action Party and COPEI [Social Christian Party] are an expression of "a structural decline."

Radical Cause, National Convergence, and MAS [Movement Toward Socialism] would be unable to pull themselves from this devastating trend. The lack of doctrines, programs, and political foundations prevent them from becoming an "alternative with an option to gain power."

This entire situation, according to the report, would increase "the government's extreme vulnerability"—an already existing condition—if the government proves unable to come up with speedy and effective measures.

In addition, results from an opinion poll are used. According to the poll conducted by Acevedo and Associates in Caracas, most residents in the capital do not have a positive view of the president's administration. They believe the nation's situation is simply "bad," and they discredit the role played by merchants.

According to the report, the risk is that the people's "great disenchantment" could turn the "tense calm" into revolt.

INCAPABLE LEADERS

Along with this political scenario, Army Intelligence noted that, in terms of economic matters, despite Caldera's speeches, he is not willing to modify his exchange controls.

This decision was made in an "improvised" manner without taking into account the consequences. Among these consequences is a lack of supplies. According to the military analysis, the problem is that there "is no strategic formula being studied" by the government to replace the current formula. This is why, "sooner or later," the free exchange of currency will have to be reinstated.

The same improvisations were seen in the handling of the banking system crisis, although the document does not examine this crisis in detail. Nevertheless, it concludes by criticizing what is called "the inability of our leaders."

Perhaps because so many diverse touchstones were meshed into one document, it at times appears contradictory. In its conclusion, it recommends "the continued exercise of pressure" to foster coherence within the executive branch. At the same time, however, it calls for "support and solidarity" among Venezuelans for the upcoming measures, linking them to a crisis that was essentially inherited from the previous administration.

In tomorrow's report on this issue, we will see how the apparent pattern of waiting became, from one fortnight to another, an explicit appeal to seek new political alternatives.

Second Installment on Intelligence Document

PA0111151594 Caracas EL NACIONAL in Spanish 31 Oct 94 p D-1

[Second of two installments of a report by Javier Ignacio Mayorca]

[FBIS Translated Text] There is a lack of new leaders who have "a high sense of nationalism and patriotism to build a new country" in Venezuela's political scene, a study conducted by the Army's Intelligence Directorate has concluded.

This is a new document produced specifically by the Department of Analysis and Dissemination of the

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above-mentioned military office, and it has been circulating among Army members since last September.

Counterintelligence organizations consider the disclosure of this document, as well as other reports and rumors, as part of the same campaign by the Staff Intelligence Directorate aimed at discrediting certain officers with promising careers and, in general, spreading among the military ranks the image of an ungovernable country.

In yesterday's edition, EL NACIONAL revealed part of the contents of the report. In it, through the use of ambiguous language, the need to establish a waiting period was suggested in view of the economic measures the government would announce later.

WORRIES OF THE PEOPLE

The analysis began with a word of praise for the Venezuelan people's "great capacity to persevere and persist" in the face of the current crisis.

According to Army intelligence, this is another display of the "true democratic calling" of the people, which should serve as an example to a leadership that is only concerned with personal affairs.

From a political viewpoint, issues related to the election of independents to the Board of Directors of the Supreme Electoral Council [CSE] prevailed during the period the review covered, along with disputes within political parties, reactions to the warnings made by Arturo Uslar Pietri, and the consequences of the "statist and populist position assumed by President Caldera."

Nevertheless, these are not really the main problems facing the average citizen, who is more interested in inflation, unemployment, and the lack of supplies. He is really hopeful the decisions of the Corrales Plan will bring about positive effects in his everyday life.

The lack of knowledge of the popular aspirations of the people and "personal arguments" reportedly have caused the "great apathy" that, according to the study, prevailed among the AD [Democratic Action] membership during the past National Executive Committee meeting.

The event concluded on 25 August with the expulsions of Hector Alonso Lopez, Antonio Ledezma, Aura Loreto, Gustavo Mirabal, and Luis Emilio Rondon of the AD National Executive Committee. What was absolutely predictable for some turned out to be "surprising" to Army intelligence.

FICTITIOUS INDEPENDENTS

Furthermore, the study on the national situation reviewed dangers for the next elections that may grow out of the delay in appointing independent authorities to the Board of Directors of the CSE.

These representatives, the study warned, must be viewed with "suspicion," because "they are also selected from the parties" from the National Congress, "thereby placing their special interests before national interests."

As in earlier analyses, and within the context of alleged objectivity, emerges a remark according to which "a moral, political, and economic change is necessary" through a peaceful movement. These lines emerged from an alleged nonbelligerent and apolitical military force.

STAGNANT ECONOMY

The intelligence analysis included the weighty figures describing the economy in the upcoming year, [words indistinct] 40 percent, an exchange rate fluctuating between 195 and 230 bolivares to the dollar, and a budget of 500 billion bolivares more than this year, although with a 300 billion bolivares shortfall.

The budget's goals will be to reduce the deficit as much as possible, fulfill the public debt commitments, and "reject requests for additional funds," barring those unavoidable requests derived from collective bargaining agreements.

The increase in the price of gasoline was considered a "factor of social tension" which could engender political consequences. The analysis neither favors nor opposes the measure. It shows there is no clear opposition to this and that there is indeed the need (as expressed by Uslar Pietri) to explain the reasons behind the increase and the sacrifices it will entail for the country.

Until now, according to the document, the government has just achieved "slightly positive results" in its administration, thanks to the absolute control it exerts over production, trade, and the financial system.

The regulations reportedly permitted, among other things, the obtaining of foreign currency, "despite the fact that the economy is partially stagnant and paralyzed."

"We view with concern how the alleged favorable results have depended on a group of one-time measures," aimed at facing only aspects of a global crisis, the Army's Analysis and Dissemination team concluded.

Vice Admiral Views Chances for 'Social Outbreak'

PA3110234994 Caracas EL GLOBO in Spanish 31 Oct 94 p 3

[Report by Luz Mely Reyes]

[FBIS Translated Text] Although Vice Admiral Hernan Gruber Odreman hopes "things will go the right way," he also acknowledges the fact that the country's temperature is running high and that there could be a social outbreak.

Nevertheless, he says he is convinced it will not be the subversive groups that are planning such uprisings but,

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rather, the people themselves, "the people who are disheartened and discouraged."

He says "the people need to see examples; they need to see justice being done. A few people must be sent to jail. What the attorney general is doing is good, but none of those who are accountable for the banking crisis has really and truly been sent to prison."

He believes, however, the government is promoting the destabilizing factors, as it has not kept its promises. Instead, it blames so many others of contributing to the social explosion, including speculators.

"We must get into synch so that the constitutional principles of social justice can become a reality, because no one wants an uprising."

Gruber Odreman expresses his concern about the recent announcement on the forthcoming increase in gasoline prices, because this move will unleash disproportioned price increases on other items that should not be affected at all by such a rise.

He feels that increasing the tax percentage on luxury items and wholesales are necessary, provided the income is used to cover the deficit, as stated.

Military Official Denies Underhanded Activities

PA0111035594 Caracas EL GLOBO in Spanish 30 Oct 94 p 3

[Report on an interview with Vice Admiral Jose Rafael Huizi Clavier, inspector general of the Armed Forces, by Jose Ramon Diaz; date and place not given]

[FBIS Translated Text] According to Vice Admiral Jose Rafael Huizi Clavier, there is no underhanded activity in the garrisons. According to him, there was just a little spark caused by an absurd scandal that was promoted by idle pamphleteers, which unfortunately was echoed by the press.

Visibly upset, Huizi Clavier has denied the use of underhanded means in the garrisons.

There are no such "laboratories" in which supposed strategies are being sketched to disqualify top FAN [National Armed Forces] members. That does not exist in the Armed Forces, one of the country's most respected and serious institutions. We are, however, complying with orders received from the defense minister who has asked us to conduct the necessary investigations to clarify presumed information leaks.

Huizi Clavier has firmly denied the garrisons have become centers of diatribe and vulgar gossip, although anonymous notes have been circulating.

He has said that what the press has been publishing, in his opinion, is surely part of "that tropical fantasy" people have been talking about recently. He added that what is really important—and it is taking place in the FAN today—is recognizing the merits of Commanding General Antonio Jose de Sucre, one of Venezuela's most outstanding men. The Armed Forces High Command and other FAN officers paid him tribute on 28 October by placing his photograph in the gallery of former defense ministers.

We left his picture in that gallery as a symbol of a liberating generation and as Simon Bolivar's most loyal and supportive assistants. In the future, when in need of inspiration, future generations will be able to visit the gallery and not only see his picture but recall his extraordinary achievements.

Huizi Clavier has said the great marshal represents soldiers who are ready and willing to carry out the great tasks the military profession demands from them. Hence, how could we assume the current FAN military leaders are engaged in underhanded activities within their garrisons?

Of course, there have been information leaks from military units at one time or another. We have investigated and processed each case. They are seen as routine cases that are handled without any scandal. There is nothing odd about this point; what seems strange are the media reports. That is what we are investigating.

[Diaz] When will the results be known?

[Huizi Clavier] Investigations have just started. We must wait.

[Diaz] What will be the future of Rear Admiral Mario David Yanez Correa, chief of intelligence of the Joint Chiefs of Staff?

[Huizi Clavier] His future remains unchanged. He will be temporarily separated from his post until the investigations are over.

[Diaz] Is it true four officers have been arrested in connection with this case?

[Huizi Clavier] False. Absolutely false.

Deputies Question Appointment of Consul in Miami

PA3110221794 Caracas EL GLOBO in Spanish 29 Oct 94 p 6

[FBIS Translated Text] Deputy Rafael Rodriguez Acosta, vice president of the Chamber of Deputies Foreign Relations Commission, has told EL GLOBO that Foreign Minister Miguel Angel Burelli Rivas "runs the risk of being dismissed if he does not respond to the letter sent by representatives of the Chamber of Deputies. This letter demands a written reply to the appointment of Miami Consul Gustavo Rodriguez Amengual, who has been implicated in the worst financial crisis experienced in the nation," Rodriguez Acosta has said.

The parliamentarian got in touch with EL GLOBO by telephone to explain his absence from the meeting with the foreign minister, saying: "The statements in reference to this matter made by the foreign minister in such

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an arrogant manner are regrettable." If Minister Burelli Rivas does not respond to the questions the commission has presented, I will "request a vote of censure, and it will not be difficult to gather the two-thirds of the votes necessary for his dismissal in accordance with the Constitution," Rodriguez Acosta has said.

Rodriguez Acosta has said he does not know how President Rafael Caldera is going to speak about corruption at the Miami Summit by having Rodriguez Amengual as a diplomatic representative of our country in that city. Rodriguez Amengual was investigated by the 13th Criminal Court regarding the bankruptcy of the Bank of Venezuela, because he had signed false statements of accounts in which profits were recorded when the most powerful financial institution in the nation was in the red.

Nigerian Minister Requests Withdrawal of OPEC Candidacy

PA2910170994 Caracas Union Radio Network in Spanish 2200 GMT 28 Oct 94

[From the "Union Radio News" newscast]

[FBIS Translated Text] Nigerian Petroleum Minister Don Obot Etiebet has asked Venezuela to withdraw its candidacy to the OPEC General Secretariat. The proposal was presented after meeting with Energy and Mines Minister Erwin Arrieta at the headquarters of the Energy and Mines Ministry. To settle the dispute, Etiebet formally presented the candidacy of Nigeria's Rilwanu Lukman, who was president of the petroleum organization.

Our country has proposed the candidacy of former Energy and Mines Minister Alirio Parra but is opposed by Iran's nomination following a diplomatic disagreement obstructing an election by consensus.

Venezuela has yet to report whether it will withdraw its candidacy to the post.

French Guiana

Ariane Rocket Puts European Satellite in Orbit

PA0111035894 Madrid EFE in Spanish 0159 GMT 1 Nov 94

[FBIS Translated Text] Kouru (French Guiana), 31 Oct (EFE)—The Astra direct telebroadcasting European satellite was successfully placed into orbit by the Ariane 42P rocket, which had been launched shortly before from the Kouru base in French Guiana.

The Ariane, which began its 69th mission at 2137 (0037 GMT), placed the satellite into orbit exactly 20 minutes later, as had been scheduled, sources at the Kouru space center reported.

Nevertheless, the satellite will use a special procedure to reach its definitive orbital position. The rocket thrust the Astra into an orbit lower than normal, one at 31,053 km rather than the usual nearly 36,000 km.

Technicians have explained that this system, called PVA by specialists, enables the satellite to gain another year of life thanks to the increase of speed at the perigee.

From that apogee, the Astra-1D will use its engine to place itself in a definitive orbit and begin the usual circulatory maneuvers.

The satellite will be able to function for 13 years if operations take place as planned.

The Ariane rocket, which has been used to launch the entire series of Astra satellites, placed the satellite into a geostationary orbit above the equator, at 19.2 degrees east, on this occasion.

According to technicians, this method can only be used with large satellites such as the Astra-1D, which is equipped with an engine that permits several ignitions and has tanks that can carry the supplementary fuel needed for the operations (160 kg of ergol [ergol]).

The Astra-1D, with a mass of 2,924 kg at launching, is owned by the European Satellite Society (SES) and is the fourth in the series of satellites of this organization.

The satellite, manufactured by the U.S. Hughes Space and Communications Company, will permit the direct broadcast of television and radio programs throughout Europe. Its signal can be received with small individual parabolic antennas or by cable when it is transmitting normally.

After this launching, the Ariane will have on its waiting list a total of 38 satellites, representing 17.1 billion francs (approximately $3.2 billion).

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